

Minutes of the Airport Commission Meeting of
November 21, 2000

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AIRPORT COMMISSION MEETING MINUTES
November 21, 2000

A. CALL TO ORDER:

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

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B. ROLL CALL:

Present:	Hon. Henry E. Berman, President Hon. Larry Mazzola, Vice President Hon. Linda S. Crayton Hon. Caryl Ito
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Absent:	Hon. Michael S. Strunsky
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C. ADOPTION OF MINUTES:

The minutes of the regular meeting of October 3, 2000 and October 17, 2000, and the special meeting of October 31, 2000 were adopted unanimously.

No. 00-0398

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D. DIRECTOR'S REPORTS:

1. Briefing on Alternatives and Construction Methodologies Being Considered in Environmental Documents for the Runway Reconfiguration Program

Presentation on Do Nothing, No Build-Systems Management and Technology, and four Build Alternatives; Presentation of Alternative Construction Methodologies by Chair of Blue Ribbon Panel.

Mr. Stuart Sunshine, Director, Airfield Development explained that there are four main reasons why the Airport undertook this effort. Those reasons are the delay

factor, noise, new large aircraft, meeting the increasing demand for air transportation, both passenger and cargo traffic, which is essential to the economic health of the Bay Area.

The Airport is in the process of an environmental impact report and statement, being shepherded by the FAA and the San Francisco Office of Environmental Review.

All options are being explored to avoid construction into the Bay, however, if construction is necessary it will be kept to a minimum while achieving the stated goals.

Staff is looking at a broad range of alternatives. The field has been narrowed to six which are being analyzed in the environmental document. It is important to note that no decision has been made on a runway reconfiguration. The environmental documents will not be complete for another year. We continue to gather the best information possible so that an informed decision can be made.

No decision has been made on the best construction methodology for any of the build alternatives. The Commission recently received a copy of the Blue Ribbon report regarding their findings after an independent review of five design concepts. They are providing a recommendation for further analysis. That information will be brought before the Commission in the next few Commission meetings. It will provide the Commission with an independent high level engineering and construction overview of proposed construction concepts if a decision to build is made.

It will help us recognize early in the process any potential problems and/or challenges. Staff will evaluate the findings and make final recommendations to the Commission. In order to understand full environmental impacts, the Airport must select a preferred construction method to assess the impact on the environment.

In good weather the runways can accommodate simultaneous arrivals bringing in 60 aircraft in an hour. In poor weather, with parallel intersecting runways, our capacity is reduced by half.

The first alternative is "No-build" or Do-nothing" as required to be carried in an environmental document. Under this alternative we would continue to have problems in perpetuity.

The Blue Ribbon Panel was asked to consider service loads, design life and earthquake and settlement issues. We are looking at a 100 year design standard.

The Blue Ribbon Panel looked at the five design concepts authorized by the Commission. In order to look at the design concepts we need to take a look at the "ground profile." There is a tremendous amount of Bay mud and layered sediments that must be considered. Soft "young bay mud" is at the top. This

layer would have to either be removed or strengthened in order to accommodate any kind of structure.

The three concepts looked at by the Blue Ribbon Panel were (1) a sunken structure, which is a podium construction with a deck and a bottom that sits on the Bay floor, (2) pile supported runways, which is a traditional support used on piers, and partially in use at La Guardia. Piles would be driven approximately 200 feet with a deck on top. (3) Earth-fill which is standard construction for off-shore components.

Mr. Matt Mead, Airfield Development explained that the new technologies that would likely help with airfield capacities are the "Precision Runway Monitor" recently approved by the Commission, and the SOIA flight procedures, in addition to Global Positioning Satellites, traffic management softwares that NASA and the FAA are collaborating on, demand management which includes a legal process for access restrictions, marketing arrangements, pricing and alternative facilities and joint operating arrangements.

Traditional radar reacts once every four seconds. The new radar reacts once every second, giving Air Traffic Controllers more information on what's happening and when. A navigation beacon is set up at an angle off the runways, simulating a path at a wider course to the Airport. As the planes get closer they reach a spacing that more widely spaced runways would allow at a lower elevation. This would give us eight more arrivals in bad weather, bringing us up to 38 from 30, as opposed to 60 in good weather.

The next technology being worked on by NASA is AILS (Airborne Information Lateral Spacing). In the SOIA process, when planes get too close together with radar, Air Traffic Controllers inform the pilots that there is a problem. With this software, planes get the same information at the same time as the Controllers. That technology may bring the runways closer together, but not 750 feet apart. For our purposes it does not help our specific situation.

Another computer software being added is AVOS which is essentially a lot of antennas on the airfield that identify weight turbulence as aircraft near the Airport. That may add a few more planes an hour than we have today.

A prototype is being evaluated in Dallas for intersecting runways, but not runways this close together.

The FAA is installing software at their regional centers for radar control. It allows Air Traffic Controllers to manage traffic more precisely to the airspace for the SFO region. That software, coupled with "Final Approach Spacing," insures that one plane is in exactly the right position behind the other. Today, Air Traffic Controllers make an educated guess as to the right spacing distance for the next plane. This software takes away some of that guessing.

Required navigation performance tightens up the standards between airplanes and the type of information they receive. It gives them more direct course

guidance.

ADSB, much like the AILS, gives aircraft and controllers more precise information to each other. It is unlikely to give added capacity.

Given the issue of distance, the only technologies that can be identified that will give us more capacity is the PRM/SOIA, which we are already pursuing. The technologies that may add 10% capacity is the AILS system, the AVOS system and the traffic management system.

Technologies that will not enhance capacity is the Global Positioning System (GPS), the Wide Area Augmentation System, the Local Augmentation System, the ADSP and the RNP.

Mr. Lyn Calerdine, Airfield Development explained that another way we might be able to avoid the need for runway reconfiguration is Demand Management, which includes the use of pricing, regulation, taxes to bring down the level of demand on a transportation system and thus increase efficiency and avoid delays. This can be used in lieu of capacity enhancement, such as runway reconfiguration, either as a temporary or permanent measure. Such familiar examples are car/bus pool lanes, ramp meters, peak hour pricing and increased parking fees.

Airlines have yield management schemes which maximize the use of their capital investments and their labor force.

During bad weather days at SFO we have flow control, limiting the number of flights that can arrive.

Other airports ... La Guardia, JFK and O'Hare ... have slot controls at all times.

Other examples of demand management would be the development of an alternative airport.

These need to be considered at SFO for a variety of legal reasons. Prior to the approval of any field for new runways at SFO we must demonstrate that there are no feasible alternatives to filling in the Bay. That is a requirement of the Clean Water Act and McAttee Petris Act, among others.

Demand Management at SFO might reduce delays and noise by reducing the number of flights and/or passengers. The Legislature, regulatory agencies and members of the public have all requested SFO consider a demand management alternative in the runway reconfiguration EIR.

There is a variety of additional Demand Management strategies we can consider, including various forms of flight limitations, pricing, administration and marketing and providing alternative facilities. Airfield Development, the FAA and the San Francisco Office of Environmental Review have been studying these for the past year and have developed a recommended set of Demand Management strategies for consideration in the EIR. They would include the implementation of full-time

slot controls at SFO. We would set the maximum number of hourly arrivals closer to the poor weather capacity of the airfield. The result would be fewer delays, less noise, and fewer flights and loss of service.

We would establish a Bay Area Joint Operating Authority for airports that would seek to shift some of the flights from SFO to other Bay Area airports and some form of high speed transit connection ... rail or ferry ... between SFO and Oakland. Some of these are requirements of SB1562 passed by the Legislature.

Slot controls are the one form of Demand Management guaranteed to work. Some of the other forms might work but are under the control of others, or have other problems associated with them. Slot controls have been used at other delay prone airports in the U.S. and around the world. However, all forms of flight limitations, including slot controls, would likely require Congressional approval due to conflicts with the Airline Deregulation Act. All of the airports that have current slot controls have them under Congressional mandate

The EIR will focus on answering the following questions: (1) Can Oakland and San Jose accommodate a shift in flights from San Francisco? (2) What environmental impacts would result from this proposal? (3) Would there be a loss in overall Bay Area air service? (4) Would the price increase?

Institutional issues would also have to be addressed with a Joint Operating Authority.

What is the likelihood that Congress would pass legislation allowing slot controls? What would the economic consequences be to SFO and the City and County of San Francisco as a result of flight limitations?

The EIR will consider two basic ways of reducing delays at SFO ... increasing the poor weather capacity through runway reconfiguration, or decreasing delays by reducing the number of scheduled flights and encouraging them to go elsewhere.

Commissioner Ito asked if the EIR analysis would be more comprehensive if it included the Bay Area region.

Mr. Sunshine responded that we are taking a look at how shifting airlines from one airport to another would impact airspace, as well as the impact to demand on the three Bay Area airports.

Commissioner Ito asked where we were with the SOIA/PRM?

Mr. Martin responded that it is in the environmental assessment phase with the FAA. The Airport has signed the contract to install the system and it should be up and running by the end of next year.

Commissioner Crayton asked if we aren't already doing flow controls.

Mr. Martin responded that when we proposed rule making on Part 161 last fall

there was opposition from the airlines. When the FAA institutes flow controls on a given day to restrict the flow of aircraft the flow is not restricted on a sound management basis, it is more arbitrary in terms of limitations on which planes are held at the gate. Management flow control to limit the impact to West coast airports has severe restrictions on flights on those regions as opposed to other parts of the country.

Commissioner Crayton noted that Oakland and San Jose Airports are nearing their capacity as well and assumed that they will be in the same situation we are in. She agreed that our approach should have SFO as the emphasis. We should keep in mind that they will reach capacity shortly and how legislation and their issues will impact the decisions that need to be made at SFO.

She asked Mr. Sunshine if he has prepared a budget.

Mr. Sunshine responded that regional planning has been actively worked on for the last couple of years by SFO, Oakland and San Jose. The Regional Airport Systems Plan Update, recently passed by the Regional Airports Planning Committee, which Mr. Martin sits on, states that both Oakland and San Francisco will have to begin to figure out a way to address capacity issues, given the demand on the Bay Area over the next 10 to 20 years.

He will present the Commission with an update on the budget in the next few weeks.

Commissioner Crayton asked how Airfield Development will impact the Airport in how the analysts see us in terms of bond ratings.

Mr. Martin responded that the Airport has one revenue stream that backs all Airport bond issues. Revenue bonds that are sold to support Airfield Development's new runways will be backed by the Airport's General Revenue Fund. The rating agencies look at all of the Capital Projects, including the runways, and the overall revenue stream in evaluating our credit worthiness.

Commissioner Crayton assumed that there is no duplication of effort on work that is being done on the Airport's basic infrastructure and on work that is included in the Airfield Development Program.

Mr. Sunshine responded that he works with the Airport Director to make sure that there is no duplication of effort. This is a very specialized program involving marine structures construction, the environmental effort and airspace analysis. While it is unique, it is still part of the Airport family and everything is done with Mr. Martin.

Mr. Patrick Gorman, San Francisco resident said that he recently read an article in the Chronicle regarding a panel of seven experts who opined that a land fill option might be the best choice among those being considered for the new runways at SFO. He suggested that the use of land fill would seriously jeopardize San Francisco's position as a pre-eminent airport on the Bay. San

Francisco would set a precedent in using land fill that would open up the opportunity for San Jose and Oakland to do the same, aligning them to compete with San Francisco for international flights.

His plan would achieve the three criteria for runway reconfigurations specified in Item 4.1 of the SFO Runway Reconfiguration Study published last year. It would radically reduce aircraft noise and airfield delay while accommodating new large aircraft without any serious ecological damage to the Bay.

He asked for the opportunity to make a funding proposal to the Commission to develop and test his plan.

Mr. Gorman said that he is a retired boiler maker from Local 6 who worked in the shipyards as a shipfitter, a rigger, boiler maker and welder. He has worked on many ships, including the Coral Sea, Enterprise, Carl Vinson and Abraham Lincoln. He is currently employed as an installer and decorator for Local 510, the Sign Decorators Union, at Moscone Center and elsewhere.

Ms. Jane Selisnow, representing the Sierra Club said that they are concerned about any proposal that would fill in two square miles of San Francisco Bay and the resulting environmental damage it will cause. This will be one of their highest priorities over the next several years.

They are looking to the Airport to consider all alternatives in great detail before a proposal comes forward to fill in San Francisco Bay. They are disappointed by the recent briefings on the demand management and systems management options described today.

There are many lists of possible ways that the noise and delay problems could be solved at SFO that have been recommended for study, yet the number of options under consideration has been whittled down.

She asked that a Blue Ribbon Panel be convened to look at possible options that would not include Bay fill.

Mr. Hank Wilson, San Francisco resident, said that he hoped there would be more exploration of alternatives. The impact on San Jose and Oakland show that a regional approach is the most prudent. If we are concerned about capacity we will have the same issues in the future.

Mr. Martin said that members of the public can receive copies of the reports produced so far by calling Candace Bender of the Airfield Development press office.

Commissioner Crayton noted that the information being presented today is not entirely new information. The Commission has been hearing this for two years. The public has heard it, the press has covered it, and we have studied all of the alternatives. The public has had the opportunity to participate in those discussions.

2. Report on the Status of the Master Plan Program

Report on the status of the Master Plan Program
for the third quarter of 2000 commencing
September 15.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that through the third quarter 2000, the Airport awarded \$2.65 billion in contracts, or 93% of the program budget excluding allowable contingency and program reserve. In terms of construction only, a total of \$2.131 billion, or 93% of the budget has been awarded through the reporting period. There was one new construction contract award during the last quarter for \$8 million for the Police Main Station. Total awards during this quarter amounted to \$85 million, including contract modifications in both construction and professional services.

Invoices approved since the last report totaled \$131 million, bringing the total invoiced amount to \$2.43 billion.

Contingency usage allocated to date to change orders and proposed change orders is \$163 million, or 110% of the \$147 million base contingency budget. Contingency allotted to change orders, proposed change orders and trends is \$169 million, or 115% of the baseline contingency budget.

Current forecast of Master Plan expenditures, excluding program reserves, through program completion is \$2.491 billion, a \$37 million increase relative to the previous report. The current program reserve budget is \$50 million. The forecast for program reserve at completion is \$12 million.

The total program reached 88% completion with 87% design/construction management/administration completion and 88% construction completion. The total Master Plan program earned percent complete is 98.5%, excluding the facilities to be completed after the opening of the main facilities on December 10, 2000.

The International Terminal Building is 99% complete with completion scheduled for December 2000. Both Boarding Areas A and G are complete with punchlist work proceeding.

Elevated Circulation Roadways and the Inbound/Outbound Ramps are complete and open to the public.

The AirTrain Operating System supply contract continues in its construction phase with an overall completion level of 46%. The forecast for substantial completion is the first quarter of 2002 without any mitigation measures considered yet.

The tenant improvement work continued this quarter with construction completion scheduled to meet full operation in December 2000.

The Security and Special Systems contracts are on schedule for project completion in December 2000. The acceptance testing of the fire/life/safety systems started during the third quarter reporting period with the Temporary Certificate of Occupancy (TCO) obtained for the International Terminal on November 15.

In the area of job safety, our actual rate of 8.92% for recordable incidents is below the 9.50 Federal rate. Our lost time incident rate of 3.85 is lower than the national average of 4.40. The MBE/WBE participation is 23.0% / 5.0% respectively on the program level. A breakdown by major sub-areas is presented in the report.

In summary, the International Terminal Complex with 20 available gates is proceeding on schedule for full operation on December 10, 2000 while remaining within the overall program budget of \$2.85 billion.

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E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito recognized Mr Martin and his staff for the long hours, dedication and determination in opening on the targeted date.

Mr. Martin said that many employees and contract workers have been working 12-14 hour days, six and seven days a week.

Commissioner Crayton concurred with Commissioner Ito. She was surprised by recent comments in the newspapers this week. The Commission supports the staff.

Commissioner Crayton asked how we are doing with disability ramps on our vehicles.

Mr. Martin responded that all of our on-airport buses are ADA compliant. Our commercial bus operators and van operators are also compliant. He will ask for a detailed report for the Commission from Landside Operations.

Commissioner Crayton asked if we have used ethnic newspapers to advertise the

opening on December 3.

Mr. Peter Nardoza, Deputy Director, Public Affairs responded that he will look into it. The Chronicle is our main vehicle, as well as KTVU Channel 2.

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F. POLICY:

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Ito. Item No. 3 was approved unanimously.

3. Aviation Library and Museum Special Event Policy

No. 00-0399 Resolution adopting a Special Events Policy for the Aviation Library and Museum.

Mr. Martin explained that this resolution establishes broad parameters for policy on the use of the new Museum space for special events. It would restrict the space to corporations and non-profit organizations and prohibit use by political and religious fundraising groups. It would allow the Director to set the fees which will probably be in the range of \$6,000 to \$8,000 per event for corporation, with a 50% discount for non-profits.

Organizations who use the space will be required to use catering services available from the food and beverage tenants in the new International Terminal.

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G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. Item No. 4 was approved unanimously.

4. Sale of Airport Revenue Bonds, Issue 26 - \$238.2 million

No. 00-0400 Resolution authorizing the sale of not-to-exceed \$238.2 million principal amount in Airport Revenue Bonds to finance the Near-Term Master Plan, and the delegation of authority to the Airport Director to implement the bond sale within certain parameters established by the Commission.

Mr. Marcus Perro, Deputy Director, Finance explained that a financing plan was developed for the current Master Plan that contemplated approximately \$2.85 billion in bonds. This is the last bond sale under that authorization, bringing us up to the authorized amount.

The bond sale is slated for December 7. This item authorizes the Director to execute the bond sale on a competitive basis to the lowest bidder. A 6% interest rate is projected, as compared to a 5.7% that we received in March 2000. We will report the results of the sale to the Commission.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Ito. Item No. 5 was approved unanimously.

5. Modification No. 2 to Contract No. 5670A - Concourse H/AirTrain Station & North International Parking Garage - Tutor-Saliba Corporation - \$7,780,364

No. 00-0401 Resolution approving Modification No. 2 to Contract 5670A, Concourse H/AirTrain Station & North International Parking Garage, with Tutor-Saliba Corporation in the amount of \$7,780,364 for changes related to Airport operations, AirTrain Operating System requirements, BART requirements and design changes to facilitate construction. The funding sources are contract contingency and the Airport's up to \$200 million contribution to the BART-SFO Extension Project.

Mr. Kardos explained that the modification presented in this item provides for changes associated with the smoke evacuation system upgrade for the Airport BART station, the installation of the Computerized Parking Control System in the North Garage and miscellaneous design changes to facilitate construction.

This contract modification has been reviewed and approved by the Master Plan Advisory Board and the costs are included in our quarterly forecast. Funding will be provided by the Airport's "up to \$200 million" contribution to the BART/SFO extension and the contract's contingency budget.

This modification provides for 26.2% MBE and 2.1% WBE participation, exceeding the base contract's 21.1% and 1.2% respective commitments.

Item No. 6 was approved by Commissioner Crayton and seconded by Commissioner Mazzola. Item no. 6 was approved unanimously.

6. Modification No. 2 to Contract No. 5700B - AirTrain Guideway, Westside Tutor-Saliba Corporation - \$2,909,703

No. 00-0402	Resolution approving Modification No. 2 to Contract 5700B, AirTrain Guideway, Westside, with Tutor-Saliba Corporation, in the amount of \$2,909,703 for changes related to Airport operations, AirTrain Operating System requirements, Airline operations, BART requirements, unforeseen site conditions and design changes to facilitate construction. The funding sources are Program Reserve, contract budget transfer, and Airport's up to \$200 million contribution to the BART-SFO Extension Project.
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Mr. Kardos explained that this modification, reviewed and approved by the Master Plan Advisory Board, will incorporate into the contract changes necessitated by Airport Operations, by the AirTrain Operating System requirements, BART system requirements and miscellaneous design changes.

The cost of this modification was included in our quarterly forecast. Funding sources are budget transfers from the AirTrain Operating System budget, from program reserve and from the Airport's "up to \$200-million" contribution to the BART/SFO extension.

The modification's scope does not provide for any MBE participation, but does accommodate 7.9% in work performed by WBE firms. The cumulative totals for the modified contract reach 13.2% MBE and 1.9% WBE participation levels, in substantial compliance with the base contract's 13.5% and 1.71% respective commitments.

Commissioner Crayton asked what happened with M/WBEs?

Mr. Kardos responded that the particular scope of the modification is such that the base contract's listed subcontractors are performing the modification and this particular scope does not accommodate MBEs. It does fall into the craft profile of

the WBE subcontractors.

The participation levels may fluctuate modification by modification, while we maintain or exceed the base contract's original commitments overall.

Item No. 7 was moved by Commissioner Mazzola and seconded by Commissioner Ito. Item No 7 was approved unanimously.

7. Modification No. 3 to Contract No. 5700A - AirTrain Guideway, East Loop Tutor-Saliba Corporation - \$1,472,967

No. 00-0403 Resolution approving Modification No. 3 to Contract 5700A, AirTrain Guideway, East Loop, with Tutor-Saliba Corporation, in the amount of \$1,472,967, for initiated changes, AirTrain Operating System requirements, unforeseen site conditions and design changes to facilitate construction. The funding sources are Program Reserve and budget transfer from the AirTrain Operating System Project.

Mr. Kardos explained that this proposed modification provides for changes associated with the AirTrain Guideway construction in the area of the North Terminal. The changes were necessary to accommodate on-going terminal operations, to respond to unforeseen site conditions and to implement design changes to facilitate construction.

The modification has been reviewed and approved by the Master Plan Advisory Board and the costs were included in our quarterly forecast. Funding will be provided by a transfer from program reserves.

The nature of the work covered by this modification accommodates 2.1% MBE and 0.7% WBE participation. The cumulative totals for the overall contract are at the 9.5% MBE and 8.3% WBE participation levels, slightly lower than the base contract's 10.8% and 9.4% respective commitment which remain in force for the ultimate contract performance.

Item No. 8 was moved by Commissioner Crayton and seconded by Commissioner Ito. Item No. 8 was approved unanimously.

8. Modification No. 9 to Contract No. 5515.3 - Security and Special Systems Holmes & Narver - \$1,830,000

No. 00-0404 Resolution authorizing Modification No. 9 to Contract 5515.3 with Holmes & Narver in the amount of \$1,830,000 to provide design services

associated with tenant initiated changes and start-up support for the New International Terminal. Funding will be provided by transfers from the Capital Improvement Program (CIP) Budget with no impact to the Master Plan Baseline Budget.

Mr. Kardos explained that the proposed resolution will modify contract No. 5515.3 with Holmes & Narver to provide additional professional services covering staff support during the first months of operation of the new systems, changes requested by the airlines and Federal agencies, support services for management of the cable infrastructure, and management support for the airlines and other tenants telephone installation services.

The modification has been reviewed and approved by the Professional Services Fee Review Committee and the cost has been included in our quarterly forecast. Funding will be provided by the Airport's Capital Improvement Program budget with no impact to the Master Plan Baseline budget.

The combined MBE/WBE participation for this modification is 30%, exceeding the base contract's 21% commitment.

Item No. 9 was moved by Commissioner Mazzola and seconded by Commissioner Crayton. Item No. 9 was approved unanimously.

9. Modification No. 5 to Contract No. 5500F - International Terminal Baggage System - BAE Automated Systems Inc. - \$1,446,282

No. 00-0405	Resolution approving Modification No. 5 to Contract 5500F, International Terminal Baggage System, with BAE Automated Systems Inc., in the amount of \$1,446,282 for work related to transferred scope, airline requests, and changes to facilitate construction. Funding sources are budget transfer, contingency and Program Reserve.
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Mr. Kardos explained that this modification covers changes associated with airline operations, security screening revisions and requirements by the U.S. Customs & Agriculture agencies.

The modification has been reviewed and approved by the Master Plan Advisory Board, and the cost is included in our forecast presented in the quarterly report. Funding will be provided by the contract contingency and program reserve budgets.

The combined MBE/WBE subcontractor participation through this modification will be at the 9.63% level, well in excess of the base contract's 5.28% commitment.

Item No. 10 was moved by Commissioner Crayton and seconded by Commissioner Ito. Item No. 10 was approved unanimously.

10. Modification No. 5 to Contract No. 5515A - Security and Special Systems - Security Systems - AMELCO Electric - \$1,185,711

No. 00-0406 Resolution approving Modification No. 5 to Contract 5515A, Security and Special Systems - Security Systems, with AMELCO Electric, in the amount of \$1,185,711 for work related to design changes to facilitate construction. Funding sources are from Current Budget and Program Reserve.

Mr. Kardos explained that this modification covers changes to the International Terminal Complex security system required by the Airport's security organizations.

The changes have been reviewed and approved by the Master Plan Advisory Board and the cost is included in our forecast presented in the quarterly report. Funding will be provided by a budget transfer from program reserves.

Within this modification the MBE/WBE participation will be at the 8% / 21% respective levels. The cumulative totals for the overall contract will reach 8% and 5% respectively, meeting and exceeding the base contract's 8% and 2% respective commitment.

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H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 11 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. Item No. 11 was approved unanimously.

11. Modification No. 2 to Contract No. 4240 - Environmental Impact Studies for the Runway Reconfiguration Program - URS Corporation - \$5,000,000

No. 00-0407 Resolution approving Modification No. 2 to Contract 4240 with URS Corporation for additional environmental studies needed for the Phase II Scope of Work for the Runway

Reconfiguration Program in an amount not to exceed \$5,000,000.

Ms. Peg Divine, Deputy Director, Airfield Development explained that URS has been progressing on the Phase II scope of services, however, the California Legislative, Federal Aviation Administration (FAA), Office of Environmental Review (OER), regulatory agencies, local cities and a panel of scientists convened by the National Oceanographic and Atmospheric Administration (NOAA) have all requested that additional environmental analyses be conducted.

These analyses include analyzing joint operation of San Francisco and Oakland Airports by Senate Bill, analysis of a high speed rail connection and/or ferry service between Oakland and San Francisco by Senate Bill, analysis of slot controls at SFO requested by OER, detailed air quality, hydrological and biological analyses of additional combinations of runway layouts and construction techniques by FAA and OER, and incorporating scientific peer review of the environmental technical studies has been requested by NOAA, FAA and OER.

Commissioner Ito said that with these upcoming modifications the Commission will need an update on overall budget projections. The last report was in April.

Ms. Divine responded that a report is scheduled for the next Commission meeting.

Commissioner Crayton said that she is pleased with the minority participation on this contract. She asked which of these firms are San Francisco residents.

Ms. Divine responded that these firms are all San Francisco based.

Commissioner Berman asked for the full name of the contractor.

Ms. Divine responded that it is URS Greiner Woodward Clyde. When they merged with O'Brien Kreitzberg, the name changed to URS Corporation. It is now the largest engineering firm in the country.

Commissioner Crayton asked if there were any conflicts with URS.

Mr. Martin responded that the matter has been reviewed with the City Attorney's Office and there is no conflict.

Item No. 12 was moved by Commissioner Crayton and seconded by Commissioner Ito. Item No. 12 was approved unanimously.

12. Award of the Advertising Program Lease - Transportation Media, Inc. - Minimum Annual Guarantee: \$4,050,000

No. 00-0408

Resolution awarding the Advertising Program Lease to Transportation Media, Inc. with an initial minimum annual guarantee of \$4,050,000.

Mr. Bob Rhoades, Deputy Director, Business explained that the minimum bid for this lease was \$2 million or 70% of annual gross receipts, with a term of five years with three one year options at the discretion of the Commission.

Staff received one proposal on October 27, 2000 by Transportation Media, Inc. The proposal was evaluated by staff and determined to be responsive. The bid amount submitted was \$4,050,000 for the first year. The Human Rights Commission is reviewing the final submission of the paperwork by the company.

Commissioner Crayton asked if there were M/WBE requirements.

Mr. Rhoades responded that there are no M/WBE requirements.

Commissioner Ito asked how this contract will be evaluated.

Mr. Rhoades responded that he would be happy to provide status reports. He added that all submissions this company brings to the Airport will have to go through the Design Review Committee. We have specific areas where advertising can be placed.

An update will be provided to the Commission based on how well this is received by the advertising community as well as within the Airport.

Item No. 13 was moved by Commissioner Berman and seconded by Commissioner Crayton. Item No. 13 was approved unanimously.

13. Award of the High Speed Wireless Internet Master Lease - Aerzone - \$250,000

No. 00-0409

Resolution awarding the High Speed Wireless Internet Master Lease to Aerzone for a one-time Industry Founders Fee of \$250,000 plus the greater of the current year minimum annual guarantee or \$.25 per connection according to the following schedule:

1 st year MAG	\$250,000
2 nd year MAG	\$275,000
1 st option-year MAG	\$300,000
2 nd option-year MAG	\$325,000

Mr. Rhoades explained that the minimum proposal amount was \$60,000 for the

installation and maintenance of a highspeed wireless internet system. Staff received proposals on October 26, 2000 from three different providers. Those proposals were evaluated by a three member panel who recommended Aerzone as the successful proposer. Subsequently, an independent review was performed by a technical expert who verified the results of the first evaluation.

Aerzone proposed a first year minimum annual guarantee of \$250,000, in addition to a one time fee of \$250,000, with increasing minimum annual guarantees over the next four years.

Item No. 14 was moved by Commissioner Crayton and seconded by Commissioner Ito. Item No. 14 was approved unanimously.

14. Authorization to Conduct a Pre-Proposal Conference for Boarding Area F SFO Cyber Room - Technology Showcase Concession

No. 00-0410 Resolution authorizing staff to conduct a pre-proposal conference for Boarding Area F - Cyber Room - Technology Showcase Concession.

Mr. Rhodes explained that we are positioned for a unique opportunity to showcase the technology currently being developed on the Peninsula. Staff proposes to put out a contract to showcase that technology. This concession would be located in Boarding Area F. Staff believes that it will generate a lot of interest.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 15 through 23 were moved by Commissioner Crayton and seconded by Commissioner Ito. The Consent Calendar was approved unanimously.

15. Modification No. 7 to Contract No. 5709.1 - AirTrain Road 6 and Rental Car Center Stations - Murokami Associates - \$605,000

No. 00-0411 Resolution approving Modification No. 7 to Contract 5709.1 to provide Architectural and Engineering Services for the AirTrain Road 6 and Rental Car Center Stations with an increase to basic professional services fees in the amount of \$605,000. Funding for the services will be provided from the project budget and from the Airport's Capital Improvement Program (CIP) Budget, with no impact on the Master Plan

Baseline Budget.

16. Modification No. 2 to Professional Services Contract No. 4002 - Environmental Planning Services for the Runway Reconfiguration Program - Environmental Science Associates (ESA) - \$400,000

No. 00-0412 Resolution approving Modification No. 2 to Professional Services Contract No. 4002 with Environmental Science Associates (ESA) to provide additional Environmental Planning Services for the Runway Reconfiguration Program in an amount not to exceed \$400,000.

17. Official Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness

No. 00-0413 Resolution declaring official intent to reimburse capital costs from future issuance of debt.

18. Award of Contract No. 4333 - Facilities Fire Protection Improvement - FY 2000/2001 - Value Fire Protection, Inc. - \$393,515

No. 000-0414 Resolution awarding Contract No. 4333, Facilities Fire Protection Improvement - FY 2000/2001, the only responsive, responsible bidder, Value Fire Protection, Inc., in the amount of \$393,515.

Commissioner Mazzola noted that there was only one bidder, yet a rating discount was applied.

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance explained that the actual amount bid, before the discount, is the amount paid to the contractor.

19. Bid Call - Contract No. 3828 - Electrical Power Distribution Improvements - North Field

No. 00-0415 Resolution approving the scope, budget, and schedule for Contract No. 3828, Electrical Power Distribution Improvements - North Field, and to authorize the Director to call for bids when ready.

20. Bid Call - Contract No. 4200 - North Terminal Power Distribution System Improvements

No. 00-0416 Resolution approving the scope, budget, and schedule for Contract No. 4200, North Terminal Power Distribution System Improvements, and to authorize the Director to call for bids when ready.

21. Bid Call - Contract No. 3845 - South Terminal Fall Protection System

No. 00-0417 Resolution approving the scope, budget, and schedule for Contract No. 3845, South Terminal Fall Protection System, and to authorize the Director to call for bids when ready.

22. Bid Call - Contract No. 3846 - East Terminal Fall Protection System

No. 00-0418 Resolution approving the scope, budget, and schedule for Contract No. 3846, East Terminal Fall Protection System, and to authorize the Director to call for bids when ready.

23. Reimbursement to San Francisco Foreign Flag Carriers for Providing a Dedicated Airfield Bus Service for Remote Aircraft Operations - \$300,000

No. 00-0419 Resolution authorizing additional reimbursement to San Francisco Foreign Flag Carriers for providing a dedicated airfield bus operation at a not-to-exceed amount of \$300,000.

* * *

J. NEW BUSINESS:

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 three (3) 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.

There were no requests from the public to speak.

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

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J. NEW BUSINESS:

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 three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 400 and submit it to the Commission Secretary.

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K. CORRESPONDENCE:

There was no discussion by the Commission.

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L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission voted unanimously to go into closed session. The Commission recessed its public meeting at 10:25 A.M. and began the closed session.

The Airport Commission will go into closed session in accordance with Government

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Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 11:35 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

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M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:37 A.M.

Jean Caramatti
Commission Secretary