



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Waive Formal Competitive Procedures and Execute a Supplemental Agreement to the Existing Professional Services Agreement with The Alliance, Inc., to Extend the Term for Three Additional Years Through December 31, 2026 and Add \$300,000 to the Maximum Compensation for a Total of \$470,000 to Continue Providing Design Review and Program Implementation Assistance for the Food & Beverage and Retail & Duty-Free Concessions Programs. **(Aviation)**

Submitted By: Craig Simon, Acting Director of Aviation; Danny Wan, Executive Director

Parties Involved: The Alliance, Inc. which will do business in California as Alliance, Minneapolis, MN; Eric Peterson, Principal President

Amount: \$300,000 (Operating Expense)

EXECUTIVE SUMMARY: Alliance is an architectural and design firm that has been assisting the Airport with both its food and retail concession programs, contributing towards the Tenant Design Standards, requests for proposals and by providing ongoing support during design review and construction. Port Staff seeks to engage Alliance in further work related towards completing the food and retail concessions programs.

BACKGROUND & ANALYSIS

Alliance has worked with more than 115 airports across the world and has a division focused solely on aviation design. In 2018, the Port entered into Contract No. 71314, a professional services agreement with Alliance for a maximum compensation of \$150,000 for three years to provide technical and design services as part of the food and beverage concession program. In 2020, under Resolution No. 20-61, the Port entered into a new professional services agreement with Alliance for a maximum compensation of \$170,000 for three years to provide continued technical and design services for the food and beverage concession program and for the newer retail concession program. Implementation of both of these concession programs has been delayed due to the COVID-19 Pandemic; thus, ongoing work requiring consulting services is continuing. The Port has exhausted its current funding under this contract which is scheduled to expire on December 31, 2023. A summary of the ongoing work required include:

1. Assisting with the design review and concerns arising during construction for the eight remaining food and beverage units. This includes the Food Hall and Concourse Café which were approved by the Board Under Ordinance No. 4663 on September 15, 2022, following a separate Request for Proposals (RFP) which was issued for these units.

2. Studying concepts for the gate podium at Gate 24 as the increased footprint will require a re-design of the holdroom impacting the gate podium.
3. Assisting with the design review and concerns arising during construction for the 16 retail and duty-free units.
4. Assisting with the analysis of the pre-security concession units at both terminals, to address TSA checkpoint expansion and baggage screening concerns.
5. Assisting with the review and analysis of the expansion of two retail wine bars, for renovation and construction at the Airport.

Alliance is in a unique position to provide the Port with the technical assistance to support the above projects. First, Alliance helped to create the Tenant Design Standards for the programs and has an intimate knowledge and understanding of the Airport's layout, restrictions, and design goals. Second, Alliance reviewed and evaluated the proposals submitted for both programs and has been able to leverage this knowledge by helping to follow up on Port Staff's concerns during the evaluations to ensure that concerns are resolved during the design review process. Finally, Alliance has a clear understanding of the Airport's operational and planning considerations in relation to the concession programs and are well-positioned to provide the holistic analyses that Port staff require. This understanding has allowed Alliance to provide valuable feedback, insights, and solutions to concerns from different Port departments.

To complete the buildout and implementation with these same services available Port staff recommend extending the agreement term three additional years and increase the not to exceed amount of by \$300,000 for a total not to exceed amount of \$470,000.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

☐ Categorically exempt under the following CEQA Guidelines Section:

Choose an item.

☒ Not a "Project" under CEQA, as defined in Public Resources Code § 21065.

☐ Other/Notes:

BUDGET

☐ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR

☒ Operating

☐ Non-Operating

☐ Capital

Analysis: On-going operating costs for Alliance's services (maximum of \$470,000 over 6 years) will be included in the Aviation Properties Department's annual budget. Project costs will be included in future Aviation capital budget

STAFFING

☒ No Anticipated Staffing Impact.

☐ Anticipated Change to Budgeted Headcount.

Reason: There is no projected impact to Port staffing.

☐ Other Anticipated Staffing Impact (e.g., Temp Help).

Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

☐ Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

No (Not Covered Entity) – proposed action involves entity not covered by Living Wage requirements because it is not a covered service provider or tenant, does not employ at least 21 employees, or receive from or pay to Port at least \$50,000.

☐ Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? No.

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<p><u>Reason:</u> This is a professional services agreement. While the proposed action does not involve a development project, purchasing of equipment, or operations, sustainability opportunities related to the subject design studies and tenant design standards will be incorporated into the scope of work.</p>	<p>No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.</p>								
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port’s Strategic Business Plan:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Grow Net Revenues</td> <td><input type="checkbox"/> Modernize and Maintain Infrastructure</td> </tr> <tr> <td><input checked="" type="checkbox"/> Improve Customer Service</td> <td><input type="checkbox"/> Pursue Employee Excellence</td> </tr> <tr> <td><input type="checkbox"/> Strengthen Safety and Security</td> <td><input type="checkbox"/> Serve Our Community</td> </tr> <tr> <td><input type="checkbox"/> Care for Our Environment</td> <td></td> </tr> </table>		<input checked="" type="checkbox"/> Grow Net Revenues	<input type="checkbox"/> Modernize and Maintain Infrastructure	<input checked="" type="checkbox"/> Improve Customer Service	<input type="checkbox"/> Pursue Employee Excellence	<input type="checkbox"/> Strengthen Safety and Security	<input type="checkbox"/> Serve Our Community	<input type="checkbox"/> Care for Our Environment	
<input checked="" type="checkbox"/> Grow Net Revenues	<input type="checkbox"/> Modernize and Maintain Infrastructure								
<input checked="" type="checkbox"/> Improve Customer Service	<input type="checkbox"/> Pursue Employee Excellence								
<input type="checkbox"/> Strengthen Safety and Security	<input type="checkbox"/> Serve Our Community								
<input type="checkbox"/> Care for Our Environment									