



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P. Johnson
William F. Sherry A.A.E

SUBJECT: SEE BELOW

DATE: March 1, 2010

Approved

Date

3/10/10

COUNCIL DISTRICT: Citywide

**SUBJECT: PURCHASE OF ADDITIONAL SEATING FOR THE NORMAN Y.
MINETA SAN JOSE INTERNATIONAL AIRPORT**

RECOMMENDATION

- a. Increase the existing contingency amount from \$183,330 to \$389,330 to purchase additional seating from Zoefitg International for the Norman Y. Mineta San José International Airport; and
- b. Authorize the Director of Finance to execute purchase orders for any additional furniture that may be required for the completion of the new Airport, subject to the appropriation of funds.

OUTCOME

Approval of this recommendation will provide additional seating in public areas of the Airport Terminals not included in the original purchase order. The addition of this seating will improve the comfort and customer service of the traveling public, and will provide a uniform look and feel across the Airport complex.

BACKGROUND

In May 2009, Council approved the purchase of Airport hold room seating from Zoefitg International in an amount not to exceed \$1,990,023.80, plus a contingency of \$183,330. This purchase covered the hold room seating requirements for Terminal A Concourse, Terminal B Concourse and the consolidated rental car facility, with delivery beginning in June 2009. Approximately 2,819 seating units have been delivered; some seats include power for laptop computers and handheld devices, and some units include air diffusers as an aesthetic alternative to the installation of the barrel shaped air diffusers provided in the Terminal B concourse.

Zoefitg was selected through a competitive bid process consistent with the City's purchasing process. Zoefitg submitted the lowest of four bids received by the City.

ANALYSIS

The original purchase order was issued nearly a year ago. The bid focused on the terminal hold rooms and the need to provide a high level of service based on airline passenger loads. The design-build process, by its nature, is a dynamic process. As building construction has progressed, staff has continued to review the furniture layout with program consultants, airlines and tenants, and has identified modifications and additional seating placement in the hold rooms and other customer areas that will improve functionality and comfort and enhance the passenger experience throughout the airport.

The proposed purchase order amendment allows for the following key enhancements:

1. The original Terminal B layout featured barrel shaped air diffusers located between the hold room seating and the windows. The layout for the hold rooms and concessions has been changed to eliminate the barrel diffusers. The new configuration features 14 additional diffuser seat units that assume the function of the barrel diffusers while increasing seating capacity and improving the overall aesthetic.
2. The existing furniture in the international hold rooms will be replaced with new seating units, establishing comparable functionality and a uniform aesthetic in an area that had previously been excluded due to anticipated budget limitations.
3. Additional seating will be located at Gates 9, 10, 13 and 14 in Terminal A. This additional seating will allow passengers to sit nearer their departure gates, improving passenger comfort and customer service.
4. Additional seating will also be located in ticket lobbies, meet and greet passenger screening checkpoints, and baggage claim areas for Terminals A and B. Increasing seating capacity in these areas will ensure a more welcoming and comfortable experience for all airport users.

The contingency amount of \$183,330 included in the original award will be used to address part of the cost of the additional purchase recommendation; the recommended \$206,000 amendment to the contingency will cover the remainder. Even with this additional expenditure, the total cost for furnishings remains less than the amount previously approved by Council and the airlines.

Beyond this recommendation, staff anticipates no additional furniture requirements prior to the June opening. However, the final furniture configuration is dynamic and staff and Airport tenant collaboration is ongoing. Staff therefore recommends that Council authorize the Director of Finance to place supplemental orders with Zoeflig as determined appropriate by TAIP and City management, subject to the appropriation of funds and continued unit pricing and other terms of the original award.

Staff would like to note that, due to a miscommunication between Zoeflig and City staff, Zoeflig has already shipped the additional seating units from their manufacturing facilities in the United Kingdom. City staff became aware of this miscommunication after Zoeflig had shipped the

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units, currently in transit. Should Council decline to approve this recommendation, the units will be shipped back to the manufacturer at their cost.

Manager's Budget Addendum #38 (Renegotiation of Contract Pricing): This agreement was recently bid with award to Zoeffig, the lowest of four bidders. Zoeffig has agreed to honor their bid pricing for the additional quantities.

EVALUATION AND FOLLOW-UP

This memorandum will not require any further follow-up from staff.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST



Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**



Criterion 2: Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**



Criterion 3: Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although these criteria do not apply to this recommendation, Criterion 1 did apply to the original purchase order item. This memo will be posted on the City's website for the March 23, 2010 Council Agenda.

COORDINATION

This memorandum has been coordinated with the City Manager's Budget Office, and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This project is consistent with several initiatives identified in the Economic Development Strategy adopted by Council in November 2003, and aligns most significantly with Strategic Initiative #1: Build a World-Class Airport and Air Services.

COST SUMMARY/IMPLICATIONS

This action falls within the authority granted to City administration. The total amount of the combined seating purchases falls within the Terminal Area Improvement Program budget previously reviewed and approved by Council and the airlines. This action does not impact the City's ability to deliver the program on time and on budget. The purpose of presenting this request to Council is to ensure that this purchase is conducted within the strictest expectations of sunshine accountability.

1. AMOUNT OF RECOMMENDATION: \$ 206,000.00

2. COST OF PROJECT:

Original Agreement	\$2,173,354.00
Amendment to Contingency	\$ 206,000.00
TOTAL Project Costs	\$2,379,354.00

3. SOURCE OF FUNDING:

520 – Airport Capital Improvement Fund
526 – Airport Revenue Bond Improvement Fund

4. OPERATING COSTS: Review of the project determined no significant adverse impact on the General Fund Operating Budget.

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the agreement recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn	Amount for Procurement	2009-10 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
520	4657	North Concourse Building	\$ 19,639,000	\$ 163,178	V-847	2/09/2010 28698
526 (548)	4657	North Concourse Building	\$2,986,000	\$1,119,633	V-847	2/09/2010 28698
526 (528)	4164	Consolidated Rental Car Facility	\$ 19,783,000	\$ 24,564	V-838	10/20/2009 28635
526 (554)	5253	Terminal Area Improvement, Phase I	\$ 83,453,000	\$ 1,070,577	V-850	10/20/2009 28635
526 (558)	5246	Public Parking Garage	\$ 936,000	\$ 1,402	V-840	N/A
		Total		\$2,379,354		

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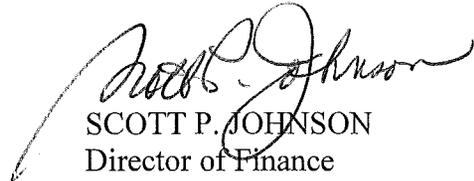
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CEQA

Resolution Nos. 67380 and 71451, PP 10-017.

/s/

WILLIAM F. SHERRY A.A.E
Director of Aviation


SCOTT P. JOHNSON
Director of Finance

For questions please contact William F. Sherry, Director of Aviation at (408) 501-7669.

