

- 2.J. APPROVAL OF TRANSPORTATION SECURITY ADMINISTRATION GRANT FUNDING AGREEMENT FOR CHECKED BAGGAGE SYSTEMS OPTIMIZATION AND CONTRACT AMENDMENT WITH PARSONS BRINCKERHOFF FOR DESIGN SERVICES:**
RECOMMENDATION: 1) Approve the Transportation Security Administration (TSA) Grant in the amount of \$298,600. for an analysis and 30% design of checked baggage inspection system; 2) Approve Amendment No. 4 Agreement No. A6256 with Parsons Brinckerhoff Inc. for checked baggage inspection system design services in the amount not to exceed \$298,600. in a form acceptable to the City Attorney; and 3) Authorize the City Manager to execute all necessary documents. A____. A6256.

Staff Report to follow.

Attached for review:

- 1. Agreement with TSA**
- 2. Scope of Services from Parsons Brinckerhoff**

Item No. 2.J.



OTHER TRANSACTION AGREEMENT

BETWEEN

**DEPARTMENT OF HOMELAND SECURITY
TRANSPORTATION SECURITY ADMINISTRATION**

AND

THE CITY OF PALM SPRINGS

RELATING TO

**PALM SPRINGS INTERNATIONAL AIRPORT
Checked Baggage Screening Design Services Project**

**Negotiated by the TSA pursuant to
Aviation and Transportation Security Act, Pub. L. 107-71, 115 Stat. 597
49 U.S.C. §114(m)(1) and 106(l)(6) and**

HSTS04-13-H-CT1041

ARTICLE I – PARTIES

The parties to this Other Transaction Agreement (OTA or Agreement) are the U.S. Department of Homeland Security, Transportation Security Administration (TSA) and the City of Palm Springs as owner and operator of the Palm Springs International Airport (PSP). The TSA and the PSP agree to cooperate in good faith and to perform their respective obligations in executing the purpose of this Agreement.

ARTICLE II – LEGAL AUTHORITY

This Agreement is entered into under the authority of the Aviation and Transportation Security Act, Pub. L. 107-71, 115 Stat. 597, specifically 49 U.S.C. § 114(m)(1) and 106(l)(6), which authorizes other transactions.

ARTICLE III – PURPOSE AND SCOPE

The purpose of this Agreement is to set forth the terms and conditions, as well as establish the respective cost-sharing obligations of the TSA and the PSP with respect to the design related services to provide for a new Checked Baggage Inspection System (CBIS) utilizing TSA Explosive Detection Systems (EDS) at Palm Springs International Airport. The Design Project will result in 30% drawings and specifications, and will be submitted to TSA for review in accordance with the published TSA Planning Design Guidelines and Design Standards (PGDS) Version 4.1. <http://www.tsa.gov/research-center/airport-checked-baggage-guidance-materials>. The City's sole obligation under this Agreement is to perform the Design Project as defined in this Article III. The Parties acknowledge and agree that any work or services over or above the Design Project shall require either a new agreement between the Parties or an amendment to this Agreement.

This Project undertaken by the City of Palm Springs involves design work for the installation of a new in-line Baggage Handling System (BHS) at PSP. The proposed Project will replace the existing Standalone EDS units from the current baggage areas with a newly constructed building adjacent to the existing terminal building. This building will contain a TSA CBIS and baggage make-up area, Checked Baggage Resolution Area (CBRA), and On-Screen Resolution (OSR). Terminal modifications will include the creation of baggage conveyor components, mechanical, plumbing, electrical, structural, and telecommunications infrastructure to improve the security and performance of the existing checked baggage inspection areas. The objective of the Project is to enhance Airport security and baggage screening capabilities and throughout.

In the event that TSA or the City of Palm Springs decide not to proceed with the completion of the proposed CBIS design work, PSP will be eligible for a straight recapitalization of the Standalone EDS units at PSP.

ARTICLE IV – COST SHARING AND OTHER RESPONSIBILITIES

1. Capital Costs: The estimated cost of the Design Project refers to the design services to be completed by the City of Palm Springs to develop the necessary design documents for the construction modifications needing to be made to the Terminal building and associated baggage

conveyor system to support the Project. It does not include the costs of acquisition, delivery or installation of the EDS equipment itself. All work performed by the City of Palm Springs pursuant to this Agreement shall be accomplished in accordance with the TSA PGDS in effect at the time this Agreement is executed and in accordance with the applicable local City of Palm Springs Building Standards and Criteria. Recognizing the uniqueness of this Design Project, in the event of any conflicts between the provision of the PGDS and this Agreement, the Parties agree to resolve such conflicts through the design review and Alternative Analysis processes described in the TSA PGDS Version 4.1.

2. The estimated cost for the design services for the Design Project is **\$298,600.00**. TSA agrees to reimburse the City of Palm Springs for (100%) of the allowable, allocable and reasonable costs of the design services for the Design Project, not to exceed a total reimbursement of **\$298,600.00**. TSA reimburses for allowable, allocable and reasonable costs submitted by the City of Palm Springs for reimbursement up to the TSA funded amount of **\$298,600.00**.

3. TSA will determine allowable and allocable costs in accordance with the OMB Circular A-87 “Cost Principles for State, Local and Indian Tribal Governments” codified at 2 C.F.R. Part 225 (together with Appendices A – D) and Appendix F of the TSA PGDS in effect upon the signing of this Agreement by both parties. TSA will reimburse the City of Palm Springs on an actual expense basis supported by one or more invoices submitted by the City of Palm Springs in accordance with Article X – Payment. The parties understand and agree that all design costs in excess of **\$298,600.00**, as well as any costs that are inconsistent with OMB A-87 and the guidance set forth in Appendix F of the TSA PGDS in effect at the time the Agreement is executed, shall be borne solely by the City of Palm Springs unless otherwise agreed by the TSA in a modification in accordance with Article XIII – Changes and/or Modifications. Should the TSA contributions of **\$298,600.00** represent more than the total final TSA allowable, allocable, and reasonable design costs for the Design Project, the City of Palm Springs will refund TSA sufficient funds such that TSA’s total reimbursement will be no more than the total allowable, allocable and reasonable costs submitted by the City of Palm Springs.

4. The Design Project costs which TSA will reimburse are limited specifically for 30% design submittals as well as those costs associated with the Design Deliverables mandated by the TSA PGDS, outlined in Appendix A “TSA PGDS Design Deliverables Checklist.”

5. Change orders shall not be considered authorization to exceed TSA’s reimbursement limit of **\$298,600.00** for the Design Project, unless the TSA Deployment Manager and TSA Contracting Officer have been notified in advance of the impact the Change Order has on the total cost of the design services for the Design Project, and TSA provides its written approval to proceed with the work identified in the Change Order. Use of contingency funds for the TSA Design Project requires TSA’s prior written approval.

ARTICLE V: PROJECT RESPONSIBILITIES

The primary Project responsibilities of the TSA and the City of Palm Springs are outlined below. The Design Project will be overseen by the City of Palm Springs.

A. TSA Responsibilities

1. Review and concur with the Project design, plans, and specifications for alternative analysis, schematic, 30%, design packages for the installation of the replacement EDS units based upon the recommendations and guidelines in the TSA PGDS in effect at the time of execution of this Agreement.
2. The City of Palm Springs must receive concurrence from TSA at each stage of the design review in order to proceed to the next design review stage.
3. Consider design alternatives during the design review process in order to achieve the most efficient screening solution for both TSA and the City of Palm Springs.
4. Provide the applicable version of the TSA PGDS as well as the EDS equipment specification(s) as required.
5. Advise the type of EDS equipment to be provided at each stage of the design.
6. Provide EDS Original Equipment Manufacturer Technical Advisory Support Services to the City of Palm Springs regarding integration of the EDS units into the baggage handling system (BHS).
7. Review and consider requested changes to the design and associated costs.
8. Upon completion of the 30% design, TSA will provide a calculation of the "Return on Investment" (ROI) in order to access the cost-share between both parties.

B. City of Palm Springs Responsibilities

1. Except for the responsibilities of the TSA, as outlined above, the Design Project will be managed and overseen by the City of Palm Springs. The City of Palm Springs, acting through such contractors as it may engage, will provide the engineering and design services necessary for successful completion of the Design Project. The City of Palm Springs will provide oversight of such contractor(s) to ensure the design of the Project conforms to the TSA design guidelines identified in the PGDS and is completed within the project milestone schedule.
2. The City of Palm Springs must receive concurrence from TSA at each stage of the design review in order to proceed to the next design review stage.
3. Provide a budgetary construction cost estimate with the schematic 30% design review for the Project.
4. Obtain all necessary licenses, insurance permits and approvals.
5. Ensure the EDS OEM site planning, installation, integration and networking guidelines are incorporated into the design to ensure operational, maintenance and environmental specifications are met.
6. As part of the design, provide reasonable measures to protect the EDS and ETD equipment from harm, theft, and water intrusion in the screening area.
7. Incorporate heating, ventilation, air conditioning into the design as well as OSHA requirements for those spaces occupied by TSA personnel.
8. Submit monthly progress reports by the 10th of each month to the TSA Deployment Manager via e-mail at OSTCBD@tsa.dhs.gov

ARTICLE VI - EFFECTIVE DATE AND TERM

The period of performance for this Agreement is effective on the date signed by TSA and ends on April 30, 2014 unless earlier terminated by the parties pursuant to Article XV "Termination"

as provided herein or extended by mutual written agreement pursuant to Article XIII "Changes and/or Modifications." The period of performance allows the City of Palm Springs time to submit a final invoice, close out the Design Project, and address any other issues.

City of Palm Springs will establish and provide Design Schedule Milestones to the TSA that allow objective measurement of progress toward completion. Design Schedule Milestones will be provided to the TSA within 30 days after the City of Palm Springs has established their design services contract(s). TSA maintains the right to identify any additional milestones to be tracked.

ARTICLE VII - ACCEPTANCE AND TESTING

TSA will deem the Design Project complete upon review and concurrency of the 30% design package for each Terminal. The design must conform to the TSA PGDS in effect at the time that this Agreement is executed.

ARTICLE VIII - AUTHORIZED REPRESENTATIVES

The authorized representative for each party shall act on behalf of that party for all matters related to this Agreement. Each party's authorized representative may appoint one or more personnel to act as an authorized representative for any administrative purpose related to this Agreement, provided written notice of such appointments is made to the other party to this Agreement. The authorized representatives for the parties are as follows:

- A. TSA Points of Contact:
 Regional Deployment Coordinator/Contracting Officer's Representative:
 Shahzan Akber
 Mail Stop TSIF #32
 Transportation Security Administration
 1 Post Office Road
 Washington, DC 20528-6032
 Phone: 571-227-5645
 E-Mail: shahzan.akber@dhs.gov
- Contracting Officer:
 William Melanson
 701 South 12th Street
 Arlington, Va. 20598
 Phone: 571-227-3266
 E-Mail: william.melanson@dhs.gov

Only the TSA Contracting Officer (CO) shall have the authority to bind the Federal government with respect to funding and liability. The TSA Regional Deployment Coordinator (RDC) is also the TSA Contracting Officer Representative (COR) and is responsible for the technical administration of this Agreement and technical liaison with the City of Palm Springs and the Airport. The TSA COR is not authorized to change the scope of work, to make any commitment or otherwise obligate the TSA, or authorize any changes which affect the liability of the TSA such as amount or level of funding.

The City of Palm Springs must notify the TSA CO and COR in the event that any TSA employee or TSA contracted agent takes any action that may be interpreted by the City of Palm Springs as direction which could increase the Design Project costs and could cause the City of Palm Springs to seek reimbursement from TSA in excess of the of the TSA's total reimbursement liability as defined in Articles IV and IX of this Agreement.

B. City of Palm Springs Points of Contact:

The City of Palm Springs Point of Contact for all correspondence is:
 Executive Director
 Palm Springs International Airport
 Suite OFC
 3400 East Tahquitz Canyon Way
 Palm Springs, CA 92262

ARTICLE IX - FUNDING AND LIMITATIONS

TSA will provide funding to the City of Palm Springs in an amount not to exceed **\$298,600.00**. Funds in the amount of **\$298,600.00** are hereby obligated and made available for payment for performance of this Agreement. Expenses incurred in executing the work identified herein are chargeable to:

PR: 21-13-203-CT1041/000001

Accounting Code: 5CF09XB010D2013SWE044GE013723006200622CTO-5903001513040000-251B-TSADIRECT-DEF. TASK-D

Amount: \$298,600.00

In the event of termination or expiration of this Agreement, any TSA funds that have not been spent or incurred for allowable expenses prior to the date of termination and are not reasonably necessary to cover termination expenses will be returned and/or de-obligated from this Agreement. TSA's liability to make payments to the City of Palm Springs is strictly limited to the amount of funds obligated and available for payment hereunder, including written modifications to this Agreement.

Under no circumstances will TSA be responsible to reimburse the City of Palm Springs for profit or the general costs of government. The City of Palm Springs may recover the allowable direct costs of the City of Palm Springs personnel performing work necessary under this Agreement, as well as the allowable and allocable costs of the contractors hired by the City of Palm Springs to perform the necessary work under this Agreement. Profit and overhead costs for the City of Palm Springs's contractors performing work on the TSA Project are allowable costs. Submission of a cost allocation plan is required to address any indirect costs, to include City of Palm Springs employees, who work on multiple activities that will result in a request for reimbursement under this Agreement. TSA will not be responsible for costs incurred by the City of Palm Springs, its contractors or agents to perform work not in compliance with the TSA requirements in this Agreement. The TSA has the right to recoup any payments made to the City of Palm Springs if the TSA Contracting Officer determines that the invoices submitted by the City of Palm Springs exceed the actual costs incurred, or if the work substantially deviates from

the TSA-approved design requirements for the Project pursuant to this Agreement.

TSA will reimburse only for allowable, allocable and reasonable costs in accordance with the OMB Circular No. A-87 in effect on the Effective Date of the Agreement (codified at 2 C.F.R. Part 225) and the allowable/not-allowable costs identified in the TSA PGDS in effect as of the effective date of this Agreement.

ARTICLE X – PAYMENT

The United States Coast Guard Finance Center performs the payment function on behalf of the TSA. For purposes of submission to the Coast Guard Finance Center, the City of Palm Springs must submit a completed Summary Invoice. Registration in the System for Award Management (SAM) is mandatory for invoice payment; for information regarding SAM, please refer to <https://www.sam.gov/portal/public/SAM/>.

Invoices for reimbursable expenses will be submitted every thirty (30) days, as expenses are incurred. For periods in which the City of Palm Springs has not incurred a reimbursable expense, an invoice is not required. Expenses are considered to accrue on the date that the City of Palm Springs is invoiced from a sub-contractor, supplier, or provider of services. Reimbursement by TSA is conditioned upon submission to TSA of an invoice identifying the Project costs that have been incurred and paid. The TSA intends to make payment to the City of Palm Springs within 120 days of receipt of each properly prepared invoice for reimbursement of incurred costs.

In the event that an invoice for reimbursable expenses is not received by the TSA within a twelve (12) month period, the TSA reserves the right to terminate the Agreement per Article XV “Termination.”

The TSA reimbursement process consists of two steps.

Step 1 – Summary Invoice Submittal to the U.S. Coast Guard Finance Center for Payment, and at a minimum should contain the following information:

- (1) Agreement Number
- (2) Invoice Number and Invoice Date
- (3) Complete Business Name and Remittance Address
- (4) Point of Contact with address, telephone, fax and e-mail address
- (5) Tax Identification Number and DUN’s Number
- (6) Dollar Amount of Reimbursement requested
- (7) Signature of the City of Palm Springs’s authorized representative and the following certification language: *“This is to certify that the services set forth herein were performed during the period stated and that the incurred costs billed were actually expended for the Project.”*

The Summary Invoice may be submitted by standard email or by electronic transmission to the following address(s):

Mailing Address: TSA Commercial Invoices

USCG Finance Center
 P.O. Box 4111
 Chesapeake, VA 23327

Email: FIN-SMB-TSAINVOICES@uscg.mil

Step 2 – Submission of Summary Invoice and Supporting Documentation
 Submittal to TSA for Approval of Payment:

The TSA CO and the COR are required to review and approve all invoices prior to payment. To aid in this review, the City of Palm Springs shall provide a copy of the Summary Invoice along with all receipts, contractor pay requests and other supporting information which specify the vendor, services provided, and products delivered as well as the appropriate identifications that the City of Palm Springs has paid these obligations. The City of Palm Springs should provide this supporting information simultaneously with Step 1 to expedite the payment process.

The Support Documentation should contain the following items:

- Summary Invoice from Step 1
- An executive summary project overview with the first invoice
- A summary spreadsheet providing a categorized breakdown of the amount invoiced.
- Signed, approved and legible copies of each individual contractor's invoice to include schedules of values statements of work.
 - Copies of contracts and change orders that provide support for the actual work being invoiced
 - Vendor and subcontractor invoices with specific details about services provided
 - Rationale for all allocations or unusual calculations or assumptions
 - Proof of delivery to the project sponsor
 - Copies of subcontractor's invoices if listed on a prime contractor's invoice as a single amount (copies of timesheets and detailed backup not required if descriptions are clear and specific).
- Proof of payment by the City of Palm Springs for each invoice in the form of copies of check/warrants, bank wire transfers, or accounting systems transactions

The Summary Invoice and supporting documentation may be submitted by email or mail via CD or paper documents to the below addresses. The final closeout invoice should include proof that all required deliverables have been provided.

Insert COR
 Mail Stop TSA TSIF - #32
 Transportation Security Administration
 1 Post Office Way
 Washington, D.C. 20528-6032
 Email: {HYPERLINK

Insert CO, TSA Contracting Officer
 C/O Mr. Henry Edquist
 Faithful & Gould
 1725 Duke Street, Suite #200
 Alexandria, VA 22314
 Phone: 571-403-8777

“mailto: OSTCBD @tsa.dhs.gov”}

Email: Henry.Edquist@fgould.com

Upon completion of the review of the supporting documentation for the Summary Invoice, the TSA CO and the TSA RDM/COR will advise the Coast Guard Finance Center regarding payment of the Summary Invoice.

ARTICLE XI - AUDITS

The Federal Government, including the Comptroller General of the United States, has the right to examine or audit relevant financial records for a period not to exceed three (3) years after expiration of the terms of this Agreement. The City of Palm Springs’s and its contractors must maintain an established accounting system that complies with generally accepted accounting principles. Records related to disputes arising out of this Agreement shall be maintained and made available until such disputes have been resolved. As used in this provision, “records” includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.

The City of Palm Springs shall maintain all records and other evidence sufficient to reflect costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this Agreement. The TSA CO or the authorized representative of the TSA CO shall have the right to examine and audit those records at any time, or from time to time. The right of examination shall include inspection at all reasonable times at the offices of the City of Palm Springs or at the offices of the City of Palm Springs’s contractor(s) responsible for the Project. The City of Palm Springs will be required to submit cost or pricing data and supporting information in connection with any invoice relating to this Agreement if requested by the TSA CO.

This Article XI shall not be construed to require the City of Palm Springs or its contractors or subcontractors to create or maintain any record that they do not maintain in the ordinary course of business pursuant to a provision of law, provided that those entities maintain records which conform to generally accepted accounting practices.

The City of Palm Springs shall insert a clause containing the terms of Article XI – Audits in all its contracts and subcontracts under this Agreement that exceed \$100,000.00 (One Hundred Thousand Dollars).

ARTICLE XII – REQUIRED FEDERAL PROCUREMENT PROVISIONS

Competition in the award of contracts or procurements resulting from this Project is strongly encouraged and the City of Palm Springs should promote competition to the maximum extent practicable.

The City of Palm Springs agrees to include in its contract(s) a provision that the Airport Terminal designs for this Project are required to comply with the TSA’s PGDS.

ARTICLE XIII – CHANGES AND/OR MODIFICATIONS

Changes and modifications to this Agreement shall be in writing and signed by the TSA CO and

duly executed by the authorized representative of the City of Palm Springs. Any modification shall cite this Agreement and shall state the exact nature of the change and/or modification. No oral statement by any person shall be interpreted as modifying or otherwise affecting the terms of this Agreement. The properly signed written modification shall be attached to this Agreement and thereby become a part of this Agreement.

ARTICLE XIV – DISPUTES

When possible, disputes will be resolved by informal discussion between the parties. All disputes arising under or related to this Agreement shall be resolved under this Article. Disputes, as used in this Agreement, mean a written demand or written assertion by one of the parties seeking, as a matter of right, the adjustment or interpretation of Agreement terms, or other relief arising under this Agreement. The dispute shall be made in writing and signed by a duly authorized representative of the City of Palm Springs or the TSA. At a minimum, a dispute under this Agreement shall include a statement of facts, adequate supporting data. In the event that the parties are unable to resolve any disagreement through good faith negotiations, the dispute will be resolved by the TSA Assistant Secretary or his or her designee. The parties agree that the TSA Assistant Secretary's decision shall be final and not subject to further judicial or administrative review and shall be enforceable and binding upon the parties.

ARTICLE XV – TERMINATION

In addition to any other termination rights provided by this Agreement, either party may terminate this Agreement at any time prior to its expiration date, with or without cause, and without incurring any liability or obligation to the terminated party (other than payment of amounts due and performance of obligations accrued, in each case on or prior to the termination date) by giving the other party at least thirty (30) days prior written notice of termination. Upon receipt of a notice of termination, the receiving party shall take immediate steps to stop the accrual of any TSA additional obligations that might require payment.

In the event of termination or expiration of this Agreement, any TSA funds that have not been spent or incurred for allowable expenses prior to the date of termination and are not reasonably necessary to cover termination expenses will be returned and/or de-obligated from this Agreement.

ARTICLE XVI – CONSTRUCTION OF THE AGREEMENT

This Agreement is an "other transaction" issued under 49 U.S.C. § 106(l) and 114(m)(1) and is not a procurement contract, grant or cooperative agreement. Nothing in this Agreement shall be construed as incorporating by reference or implication any provision of Federal acquisition law or regulation. It is not intended to be, nor shall it be construed as creation of a partnership, corporation, or other business entity between the parties.

Each party acknowledges that all parties hereto participated equally in the negotiation and drafting of this Agreement and any amendments thereto, and that, accordingly, this Agreement shall not be construed more stringently against one party than against the other.

This Agreement constitutes the entire agreement between the parties with respect to the subject

matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties.

In the event that any Article and/or parts of this Agreement are determined to be void or otherwise invalid or unenforceable, such Article or portions thereof shall lapse. No such lapse will affect the rights, responsibilities, and obligations of the parties under this Agreement, except as provided therein. If either party determines that such lapse has or may have a material effect on the performance of the Agreement, such party shall promptly notify the other party, and shall negotiate in good faith a mutually acceptable amendment to the Agreement if appropriate to address the effect of the lapse.

ARTICLE XVII - PROTECTION OF INFORMATION

The parties agree that they shall take appropriate measures to protect all proprietary, privileged, confidential, or otherwise Sensitive Security Information (SSI) that may come into their possession as a result of this Agreement.

A. RELEASE OF TECHNICAL DATA

No Sensitive Security Information (SSI), as defined in 49 CFR Parts 15 and 1520, concerning the scope of this Agreement, shall be published or released to the public without prior written approval of the TSA Assistant Secretary or his or her designee. Guidance regarding SSI may be found in Appendix G, "Checked Baggage Screening Equipment Sensitive Security Information Identification Guide", of the TSA PGDS.

B. RECORDS AND RELEASE OF INFORMATION

All Sensitive Security Information (SSI), as defined in 49 CFR Part 1520, shall be handled in accordance with TSA policies and regulations. All employees, contractors, and subcontractors assigned to work under this Agreement are subject to the provisions of 49 CFR Part 1520, Protection of Sensitive Security Information, because they act for, or carry out duties for, or on behalf of the TSA. SSI may not be disclosed except in accordance with the provisions of that rule or where TSA otherwise approves.

C. MEDIA

Neither the City of Palm Springs, nor its contractors shall make publicity or public affairs activities related to the subject matter of this Agreement unless written approval has been received from the TSA Office of Security Technology or the TSA Office of Strategic Communication and Public Affairs. The purpose of this provision is to preclude the inadvertent release of SSI to the general public.

ARTICLE XVIII - SURVIVAL OF PROVISIONS

The following provision of this Agreement shall survive the termination of this Agreement: Article XII – Required Federal Procurement Provisions; Article XI – Audits; Article XIV – Disputes, Article XVII – Protection of Information and Article XVIII – Survival of Provisions.

IN WITNESS WHEREOF, the Parties have entered into this Agreement by their duly authorized officers this _____ day of _____, 2012.

**U. S. Department of Homeland Security
Transportation Security Administration**

TSA Contracting Officer

Date

ATTEST:

**CITY OF PALM SPRINGS
a municipal corporation**

By: _____
City Clerk

By: _____
City Manager

Date

Date

APPROVED AS TO FORM:

By: _____
City Attorney

Date

CONTRACTOR: Check one: _____ Individual _____ Partnership _____ Corporation
Corporations require two notarized signatures: One from each of the following: A. Chairman of Board, President, or any Vice President: AND B. Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.

By: _____
Signature (notarized)

By: _____
Signature (notarized)

Title: _____
State of _____
County of _____

Title: _____
State of _____
County of _____

On _____ before me, _____
personally appeared _____
proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s)
name(s)is/are subscribed to the within instrument
acknowledged to me that he/she/they
executed the same in he/her/their authorized
capacity(is), and that by his/her/their sigma-
signature(s) on the instrument the person(s),
of the entity upon behalf of which the person(s)
acted, executed the instrument.

On _____ before me, _____
personally appeared _____ who
who proved to me on basis of satisfactory
evidence to be the person(s) whose names (s)
is/are subscribed to the within instrument and
and acknowledged to me that he/she/they
executed the same in his/her/their authorized
capacity(is), and that by his/her/their
tares(s) on the instrument the person(s) or the
the entity upon behalf of which the person(s)
acted, executed the instrument.

I certify under PENALTY OF PERJURY
under the laws of the State of California that
the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

I certify under PENALTY OF PERJURY
under the laws of the State of California that
the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Notary Signature: _____

Notary Signature: _____

Notary Seal:

Notary Seal:

Appendix A
TSA Planning Guidelines and Design Standards
Design Deliverables Checklist

Figure 2-4
DELIVERABLES CHECKLIST

PROJECT PHASE DELIVERABLES	SECTION	Completed		PROJECT PHASE DELIVERABLES	SECTION	Completed	
		Yes	No			Yes	No
Pre-Design Phase	2.2.1	<input type="checkbox"/>	<input type="checkbox"/>	Detailed Design Phase (continued)		<input type="checkbox"/>	<input type="checkbox"/>
Preliminary Alternatives Analysis Report		<input type="checkbox"/>	<input type="checkbox"/>	70% Design Submittals (continued)		<input type="checkbox"/>	<input type="checkbox"/>
Preferred Alternatives Analysis Report		<input type="checkbox"/>	<input type="checkbox"/>	Description of Operations		<input type="checkbox"/>	<input type="checkbox"/>
Schematic Design Phase		<input type="checkbox"/>	<input type="checkbox"/>	Preliminary Contingency Plan		<input type="checkbox"/>	<input type="checkbox"/>
Basis of Design Report	2.2.2	<input type="checkbox"/>	<input type="checkbox"/>	70% Specifications		<input type="checkbox"/>	<input type="checkbox"/>
Detailed Program Requirements		<input type="checkbox"/>	<input type="checkbox"/>	Draft Site Specific Configuration Management Plan		<input type="checkbox"/>	<input type="checkbox"/>
High-Level Flow-Based Modeling Assumptions and Results		<input type="checkbox"/>	<input type="checkbox"/>	Stakeholder Review and Approval Documentation		<input type="checkbox"/>	<input type="checkbox"/>
Preliminary Concept Plans		<input type="checkbox"/>	<input type="checkbox"/>	70% Estimate of Probable Construction and O&M Costs		<input type="checkbox"/>	<input type="checkbox"/>
Phasing and Constructability Technical Memoranda		<input type="checkbox"/>	<input type="checkbox"/>	Phasing Schedule		<input type="checkbox"/>	<input type="checkbox"/>
ROM Estimate of Probable Construction and O&M Costs		<input type="checkbox"/>	<input type="checkbox"/>	Conveyor Manifest		<input type="checkbox"/>	<input type="checkbox"/>
Stakeholder Review and Approval Documentation		<input type="checkbox"/>	<input type="checkbox"/>	Updated EDS Equipment List		<input type="checkbox"/>	<input type="checkbox"/>
Preliminary Project Schedule		<input type="checkbox"/>	<input type="checkbox"/>	100% Design Submittals	2.2.3.3	<input type="checkbox"/>	<input type="checkbox"/>
Detailed Design Phase	2.2.2	<input type="checkbox"/>	<input type="checkbox"/>	Bid Documents		<input type="checkbox"/>	<input type="checkbox"/>
30% Design Submittals	2.2.3.1	<input type="checkbox"/>	<input type="checkbox"/>	Final Description of Operations		<input type="checkbox"/>	<input type="checkbox"/>
Updated Basis of Design Report		<input type="checkbox"/>	<input type="checkbox"/>	Contingency Plans		<input type="checkbox"/>	<input type="checkbox"/>
Operational Standards Assessment		<input type="checkbox"/>	<input type="checkbox"/>	Project Specifications		<input type="checkbox"/>	<input type="checkbox"/>
Preliminary Plans		<input type="checkbox"/>	<input type="checkbox"/>	Final Site Specific Configuration Management Plan		<input type="checkbox"/>	<input type="checkbox"/>
Cross Sections		<input type="checkbox"/>	<input type="checkbox"/>	Stakeholder Review and Approval Documentation		<input type="checkbox"/>	<input type="checkbox"/>
Description of Operations		<input type="checkbox"/>	<input type="checkbox"/>	Final Estimate of Probable Construction and O&M Costs		<input type="checkbox"/>	<input type="checkbox"/>
Baggage and Data Flow Charts		<input type="checkbox"/>	<input type="checkbox"/>	Final Phasing Schedule		<input type="checkbox"/>	<input type="checkbox"/>
Table of Contents for CBIS		<input type="checkbox"/>	<input type="checkbox"/>	Updated EDS Equipment List		<input type="checkbox"/>	<input type="checkbox"/>
Screening Equipment Installation Guidelines		<input type="checkbox"/>	<input type="checkbox"/>	Operations Training Materials and Documentation		<input type="checkbox"/>	<input type="checkbox"/>
Outline of Reporting Capabilities		<input type="checkbox"/>	<input type="checkbox"/>	Construction Phase	2.2.4	<input type="checkbox"/>	<input type="checkbox"/>
Stakeholder Review and Approval Documentation		<input type="checkbox"/>	<input type="checkbox"/>	Changes to Approved 100% Design Submittals		<input type="checkbox"/>	<input type="checkbox"/>
30% Estimate of Probable Construction and O&M Costs		<input type="checkbox"/>	<input type="checkbox"/>	Construction Schedule		<input type="checkbox"/>	<input type="checkbox"/>
Preliminary Phasing Schedule		<input type="checkbox"/>	<input type="checkbox"/>	Courtesy Copies of Shop and Installation Drawings		<input type="checkbox"/>	<input type="checkbox"/>
Conveyor Manifest		<input type="checkbox"/>	<input type="checkbox"/>	Testing and Commissioning Phase	2.2.5	<input type="checkbox"/>	<input type="checkbox"/>
EDS Equipment List		<input type="checkbox"/>	<input type="checkbox"/>	Pre-ISAT Documentation		<input type="checkbox"/>	<input type="checkbox"/>
70% Design Submittals	2.2.3.2	<input type="checkbox"/>	<input type="checkbox"/>	ISAT Documentation		<input type="checkbox"/>	<input type="checkbox"/>
Updated Basis of Design Report		<input type="checkbox"/>	<input type="checkbox"/>	Project Closeout Phase	2.2.6	<input type="checkbox"/>	<input type="checkbox"/>
Updated Operational Standards Assessment		<input type="checkbox"/>	<input type="checkbox"/>	As-built CBIS Documentation Submittal		<input type="checkbox"/>	<input type="checkbox"/>
70% Design Drawings		<input type="checkbox"/>	<input type="checkbox"/>	Final Copy of the PLC Program with Drawings		<input type="checkbox"/>	<input type="checkbox"/>
Cross Sections		<input type="checkbox"/>	<input type="checkbox"/>	Final Copy of Disaster Recovery Procedures		<input type="checkbox"/>	<input type="checkbox"/>



Figure 2-4
DELIVERABLES CHECKLIST

PROJECT PHASE DELIVERABLES	SECTION	Completed		PROJECT PHASE DELIVERABLES	SECTION	Completed	
		Yes	No			Yes	No
Pre-Design Phase	2.2.1	<input type="checkbox"/>	<input type="checkbox"/>	Detailed Design Phase (continued)		<input type="checkbox"/>	<input type="checkbox"/>
Preliminary Alternatives Analysis Report		<input type="checkbox"/>	<input type="checkbox"/>	70% Design Submittals (continued)		<input type="checkbox"/>	<input type="checkbox"/>
Preferred Alternatives Analysis Report		<input type="checkbox"/>	<input type="checkbox"/>	Description of Operations		<input type="checkbox"/>	<input type="checkbox"/>
Schematic Design Phase		<input type="checkbox"/>	<input type="checkbox"/>	Preliminary Contingency Plan		<input type="checkbox"/>	<input type="checkbox"/>
Basis of Design Report	2.2.2	<input type="checkbox"/>	<input type="checkbox"/>	70% Specifications		<input type="checkbox"/>	<input type="checkbox"/>
Detailed Program Requirements		<input type="checkbox"/>	<input type="checkbox"/>	Draft Site Specific Configuration Management Plan		<input type="checkbox"/>	<input type="checkbox"/>
High-Level Flow-Based Modeling Assumptions and Results		<input type="checkbox"/>	<input type="checkbox"/>	Stakeholder Review and Approval Documentation		<input type="checkbox"/>	<input type="checkbox"/>
Preliminary Concept Plans		<input type="checkbox"/>	<input type="checkbox"/>	70% Estimate of Probable Construction and O&M Costs		<input type="checkbox"/>	<input type="checkbox"/>
Phasing and Constructability Technical Memoranda		<input type="checkbox"/>	<input type="checkbox"/>	Phasing Schedule		<input type="checkbox"/>	<input type="checkbox"/>
ROM Estimate of Probable Construction and O&M Costs		<input type="checkbox"/>	<input type="checkbox"/>	Conveyor Manifest		<input type="checkbox"/>	<input type="checkbox"/>
Stakeholder Review and Approval Documentation		<input type="checkbox"/>	<input type="checkbox"/>	Updated EDS Equipment List		<input type="checkbox"/>	<input type="checkbox"/>
Preliminary Project Schedule		<input type="checkbox"/>	<input type="checkbox"/>	100% Design Submittals	2.2.3.3	<input type="checkbox"/>	<input type="checkbox"/>
Detailed Design Phase	2.2.2	<input type="checkbox"/>	<input type="checkbox"/>	Bid Documents		<input type="checkbox"/>	<input type="checkbox"/>
30% Design Submittals	2.2.3.1	<input type="checkbox"/>	<input type="checkbox"/>	Final Description of Operations		<input type="checkbox"/>	<input type="checkbox"/>
Updated Basis of Design Report		<input type="checkbox"/>	<input type="checkbox"/>	Contingency Plans		<input type="checkbox"/>	<input type="checkbox"/>
Operational Standards Assessment		<input type="checkbox"/>	<input type="checkbox"/>	Project Specifications		<input type="checkbox"/>	<input type="checkbox"/>
Preliminary Plans		<input type="checkbox"/>	<input type="checkbox"/>	Final Site Specific Configuration Management Plan		<input type="checkbox"/>	<input type="checkbox"/>
Cross Sections		<input type="checkbox"/>	<input type="checkbox"/>	Stakeholder Review and Approval Documentation		<input type="checkbox"/>	<input type="checkbox"/>
Description of Operations		<input type="checkbox"/>	<input type="checkbox"/>	Final Estimate of Probable Construction and O&M Costs		<input type="checkbox"/>	<input type="checkbox"/>
Baggage and Data Flow Charts		<input type="checkbox"/>	<input type="checkbox"/>	Final Phasing Schedule		<input type="checkbox"/>	<input type="checkbox"/>
Table of Contents for CBIS		<input type="checkbox"/>	<input type="checkbox"/>	Updated EDS Equipment List		<input type="checkbox"/>	<input type="checkbox"/>
Screening Equipment Installation Guidelines		<input type="checkbox"/>	<input type="checkbox"/>	Operations Training Materials and Documentation		<input type="checkbox"/>	<input type="checkbox"/>
Outline of Reporting Capabilities		<input type="checkbox"/>	<input type="checkbox"/>	Construction Phase	2.2.4	<input type="checkbox"/>	<input type="checkbox"/>
Stakeholder Review and Approval Documentation		<input type="checkbox"/>	<input type="checkbox"/>	Changes to Approved 100% Design Submittals		<input type="checkbox"/>	<input type="checkbox"/>
30% Estimate of Probable Construction and O&M Costs		<input type="checkbox"/>	<input type="checkbox"/>	Construction Schedule		<input type="checkbox"/>	<input type="checkbox"/>
Preliminary Phasing Schedule		<input type="checkbox"/>	<input type="checkbox"/>	Courtesy Copies of Shop and Installation Drawings		<input type="checkbox"/>	<input type="checkbox"/>
Conveyor Manifest		<input type="checkbox"/>	<input type="checkbox"/>	Testing and Commissioning Phase	2.2.5	<input type="checkbox"/>	<input type="checkbox"/>
EDS Equipment List		<input type="checkbox"/>	<input type="checkbox"/>	Pre-ISAT Documentation		<input type="checkbox"/>	<input type="checkbox"/>
70% Design Submittals	2.2.3.2	<input type="checkbox"/>	<input type="checkbox"/>	ISAT Documentation		<input type="checkbox"/>	<input type="checkbox"/>
Updated Basis of Design Report		<input type="checkbox"/>	<input type="checkbox"/>	Project Closeout Phase	2.2.6	<input type="checkbox"/>	<input type="checkbox"/>
Updated Operational Standards Assessment		<input type="checkbox"/>	<input type="checkbox"/>	As-built CBIS Documentation Submittal		<input type="checkbox"/>	<input type="checkbox"/>
70% Design Drawings		<input type="checkbox"/>	<input type="checkbox"/>	Final Copy of the PLC Program with Drawings		<input type="checkbox"/>	<input type="checkbox"/>
Cross Sections		<input type="checkbox"/>	<input type="checkbox"/>	Final Copy of Disaster Recovery Procedures		<input type="checkbox"/>	<input type="checkbox"/>



APPENDIX B, SCHEDULE OF DELIVERABLES

The following deliverables are required to be submitted by the City of Palm Springs.

Item	Submitted To:	Frequency or Due Date
Schedule to include Project Milestones (Design and proposed Construction)	TSA Deployment Manager, OSTCBD@tsa.dhs.gov and TSA Contracting Officer	Within 30 days of the City of Palm Springs awarding the design contract. Updates submitted with monthly TSA report.
Pre-Design Phase, Schematic, 30% Design deliverables	TSA Deployment Manager, OSTCBD@tsa.dhs.gov	In accordance with the TSA PGDS Deliverables Checklist
Preferred Alternative Package	TSA Deployment Manager, OSTCBD@tsa.dhs.gov	November 2013
30% Design	TSA Deployment Manager, OSTCBD@tsa.dhs.gov	January 2014
Design Contract Schedule of Fees	TSA Deployment Manager, TSA Contracting Officer, OSTCBD@tsa.dhs.gov	Provide upon issuing Design Contract
Copies of the Design Contract(s) and Change Orders	TSA Deployment Manager, TSA Contracting Officer, OSTCBD@tsa.dhs.gov	Change Orders requiring advanced TSA approval.
Monthly Project Report	TSA Deployment Manager, OSTCBD@tsa.dhs.gov TSA Contracting Officer	By the 10 th of each month. Electronic submission is requested.
Requests for Information or Clarification	TSA Deployment Manager	As needed
Final Invoice	TSA Deployment Manager TSA Contracting Officer, OSTCBD@tsa.dhs.gov	No later than 90 days after completion of the CBIS Construction Project.

The Monthly Project Report is to be submitted by the 10th of each month to the TSA Deployment Lead, and OSTCBD@tsa.dhs.gov and shall address the following:

- Design Schedule in both PDF and “live”/usable format to depict the critical path, baseline and actual date information; predecessors/successors. The Design Schedule will be used for all planned TSA activities.

Attachment 1: PSP Recapitalize EDS Candidate Units and Terminal Information

<u>Main.Main. WS/SY</u>	<u>C676, 040130,C711, C712, C713</u>
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May 8, 2013

Thomas Nolan, A.A.E.
Executive Director
Palm Springs International Airport
3400 E. Tahquitz Canyon Way Suite OFC
Palm Springs, CA 92262

Dear Mr. Nolan:

RE: Palm Springs Int'l Airport - Re-Optimization / Drive-Thru Check-in 30% Detailed Proposal

We are pleased to present this proposal for 30% design/engineering services for a baggage handling system (BHS) at Palm Springs International Airport (PSP). This project will be Task Order 8 on our on-call contract with PSP. This scope of services is within the limits of the Airport Capital Improvement Program (ACIP) project description and is based on the ACIP description and discussions with Airport staff. Construction services will be covered by a separate cost proposal,

Project Description

Palm Springs Airport (PSP) will design a new baggage handling system (BHS) for Re-optimization that is being funded by the Transportation Security Administration (TSA) along with an drive thru check-in facility . This agreement for funding is enclosed with this letter and we are in agreement to its project description and fee amount as described in the TSA agreement.

The tasks for this project are associated with replacing the outbound BHS and relocating the CBIS and baggage make-up areas into a new separate building adjacent to the existing terminal building.

BHS/EDS DESIGN STATEMENT OF WORK

This statement of work defines the scopes of work and estimated schedule for the professional services related to the PSP Terminal Expansion project. The tasks are associated with replacing the outbound BHS and relocating the CBIS and baggage make-up areas into a new separate building adjacent to the existing terminal building.

TASK 1 - Pre-design Services

Design professional will perform the following as part of this task:

- Conduct a site visit of existing facilities and attend a coordination meeting with sub consultants and Airport Representatives.

- Review and validate existing aircraft schedules, TSA studies/reports, and as-built documentation for the Baggage Handling System (BHS) at PSP.
- Identify BHS performance criteria and feasibility studies associated with system design and expansion issues.
- Review and validate performance criteria that comply with the TSA Planning Guidelines and Design Standards (PGDS), Chapter 5, Version 4.1. This review will be performed for the current year (2013) and forecast the baggage rate six years into the future (2019). The review will be performed based on data provided by PSP.
- Review screening machine quantities as a function of a flight schedule and machine throughput capacity.
- Identify and prepare two (2) concepts of the 100% checked baggage screening and BHS modifications for each of the 2 screening areas located adjacent to the terminal building. The concepts will be summarized in an Alternatives Analysis Report that will consist of the following elements:
 - EDS price
 - EDS Maintenance
 - Phasing required to install the new EDS units
 - Necessary modifications to the BHS

The report shall include a cost/benefits analysis comparison, advantages and disadvantages for each solution, and a recommendation as to the best solution proposed. The Design Professional will include in the report documentation, provided by PSP, of airport/airline configuration changes that could affect the current and future baggage rates (additional gates, airline moves, additional flights, etc). This documentation may also include the PSP's master plan, when available.

The Design Professional will provide an electronic copy of the alternatives analysis report for review and submittal preparation and distribution to the representatives of the TSA. The Design Professional will coordinate with PB, PSP and TSA staff to receive comment on the report and receive PSP and TSA's preferred alternative.

The Design Professional will generate a Preferred Alternative Report based on PSP and TSA's comment and selection and provide electronic copies of the alternatives analysis report to PB for distribution to PSP and TSA.

TASK 2 – Schematic Design

The Design Professional will produce a schematic design based on the selected solution for the BHS identified by PSP. The schematic design will consist of equipment layout drawings for the temporary and permanent baggage handling systems. The schematic design will also include a floor plan and exterior elevation of the proposed building addition to accommodate the temporary BHS. The schematic design drawings will be accompanied by the following documents:

- Basis of Design Report summarizing the performance specifications and design criteria of the systems and building addition identified in the schematic design drawings.
- Phasing and Constructability Technical Memorandum documenting project-specific issues including CBIS design and architectural, structural, mechanical, plumbing, electrical and communications considerations.
- Rough Order of Magnitude estimate of probable construction and TSA Operations and Maintenance (O&M) Costs.
- Stakeholders' review and approval document.
- Preliminary project schedule.
- Preliminary conveyor and electrical loads.
- Phasing strategy for the proposed new EDS and relocation (and demolition plan) of the existing baggage conveyors.

The Design Professional will provide an electronic copy of the schematic design drawings and accompanying documents to PB for review and submittal preparation and distribution to the representatives of PSP and the TSA. The Design Professional will coordinate with PB, PSP and TSA staff to receive comment on the documents delivered in the task. The Design Professional will make one revision to the documents based on comments received from PSP and TSA.

TASK 3 – 30% Design

The Design Professional will produce 30% design drawings and specifications for the BHS based on the Schematic Design produced in TASK 2. The 30% Design will consist of the following items:

- Mechanical Drawings:
 - Plans and elevations at the existing BHS drawing scale
 - Building column lines with ID numbers

- Conveyors with centerlines shown and dimensioned to column lines
 - Conveyors longer than 3 meters with direction of baggage flow arrows
 - Recommended conveyor belt speeds
 - At least one elevation call-out in plan view for each conveyor line; if it inclines or declines, a call out at each change in elevation
 - Angle of decline or incline shown in elevation view
 - Finish floor call outs shown in plan view on each sheet
 - Sheet match lines
 - Pertinent wall and floor penetrations
 - Minimum baggage clearance to be shown in elevation view
- Electrical Drawings will be developed to a 30% level of detail to support the mechanical systems identified in this task. Plans will indicate demolition and new construction. Electrical information for temporary construction associated with phasing will be included in the BHS phasing plans.

The 30% drawings produced in this task will be accompanied by the following documents as defined in the PGDS Version 4.1:

- Updated Basis of Design Report
- Operational Standards Assessment (Static Flight Schedule Analysis)
- Dynamic Simulation Report
- Preliminary plans and elevations
- Preliminary Contingency Plans
- Description of Operations (including CBRA)
- Screening equipment installation guidelines
- Outline of Reporting Capabilities
- Stakeholders review and approval document

- 30% ROM estimate of probable construction , also called a Construction Work Estimate (CWE) and TSA O&M costs or Life Cycle Cost Analysis (LCCA)
- Preliminary phasing schedule
- Conveyor manifest
- EDS equipment list
- 30% specifications document consisting of table of contents, major divisions of work, specification headings, and draft front end documents provided by PSP.

TASK 4 – 30% Design for Drive Thru Check-In

The Design Professional will produce 30% design drawings and specifications for the Drive-Thru Check-In area. The 30% Design will consist of the following items:

- Civil Plans:
 - Grading
 - Drainage
 - Site Layout
 - Revised Airport Roadway Signage
 - Utilities, except BHS
 - 30% specifications document consisting of table of contents, major divisions of work, specification headings, and draft front end documents provided by PSP.

The Design Professional will provide an electronic copy of the 30% design drawings and accompanying documents to PB for review and submittal preparation and distribution to the representatives of PSP and the TSA. The Design Professional will coordinate with PB, PSP and TSA staff to receive comment on the documents delivered in the task. The Design Professional will make one revision to the documents based on comments received from PSP and TSA.

TASK 5 – 30% Life-Cycle Costs

The Design Professional will produce 30% Life-Cycle Costs for the Drive-Thru Check-In area. This effort at the 30% level of effort will provide the Design Professional's calculations of the life-cycle costs of operating and maintaining the CBIS. These costs will includes those to be borne by the airport operator as well as the airlines.

The life-cycle costs assumptions, include, O&M costs and staffing costs.

Constant Dollar Cost

Cash flows can be expressed in real or nominal dollars. Nominal (or current) values represent the expected price that will be paid when a cost is due to be paid. These values include inflation. As an example only, if a machine costs \$1.0 million today and is expected to cost \$1.1 million in 2014, \$1.1 million is the nominal cost of the machine in 2010. Real (or constant) values are adjusted to eliminate the effect of inflation. In the example above, the real value of the machine is \$1.0 million, whether purchased today or in 2014. Real values are used to provide a consistent comparison of costs over time and shall be used to estimate all costs considered in the life-cycle analysis. These costs shall be based on the year in which the analysis is conducted. Therefore, no assumptions regarding cost escalation or inflation are necessary for this analysis

At a minimum, the Design Professional will assess the following costs in determining the life-cycle costs for this project at the 30% design stage.

- O&M costs
 - Incremental BHS maintenance costs (including additional maintenance personnel)
 - In addition to EDS equipment maintenance costs (borne by the TSA), incremental costs for BHS maintenance costs directly related to the CBIS will be accounted for. These costs typically include preventative as well as corrective maintenance to all BHS components above and beyond the BHS maintenance costs
 - For the purposes of the life-cycle cost analysis only the incremental costs of BHS maintenance will be considered. To calculate the incremental BHS maintenance costs, the Design Professional will subtract the existing maintenance cost of the current BHS from the total estimated maintenance cost of the BHS with CBIS.
 - Incremental BHS operating costs
 - The Design Professional shall compare utility costs for the BHS on an incremental basis. To calculate the incremental BHS operating costs, the Design Professional will subtract the existing operating cost of the current BHS from the total estimated operating cost of the BHS with CBIS.

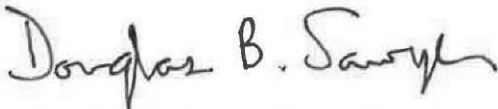
- Staffing costs
 - Incremental staff costs associated with clearing bag jams or for baggage porters (if not included in O&M costs described earlier)
 - In addition, if other airport-specific staff costs are expected, such costs will be included in the staffing or O&M costs as applicable.

Our total fee as for all phases of work is a lump sum amount of \$296,600 which is in agreement with the enclosed document from the TSA for this project.

Thank you for the opportunity to continue our service at Palm Springs Int'l Airport. If there is any question about this scope of services or the proposed cost, please do not hesitate to call me at (909) 888-1106

Sincerely,

PARSONS BRINCKERHOFF, INC.



Douglas B. Sawyer, Senior Vice President
Area Manager