

File No. 200208

Committee Item No. 3

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date May 13, 2020

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
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#### OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong

Date May 8, 2020

Completed by: Linda Wong

Date \_\_\_\_\_

1 [Professional Services Agreement Modification - SFO Hotel Shuttle, Inc. - Airport Shuttle Bus  
2 Services - Not to Exceed \$123,181,617]

3 **Resolution approving Modification No. 6 to Airport Contract No. 9254, Airport Shuttle**  
4 **Bus Services, with SFO Hotel Shuttle, Inc., to increase the contract amount by**  
5 **\$27,900,000 for a new not to exceed amount of \$123,181,617; and to exercise the final**  
6 **two-year option to extend the term from July 1, 2020, for a total term of December 1,**  
7 **2012, through June 30, 2022, pursuant to Charter, Section 9.1189(b).**

8  
9 WHEREAS, On October 9, 2012, the Airport Commission approved Resolution No.  
10 12-0220 awarding the shuttle bus contract to SFO Shuttle Bus Company for a three-year,  
11 seven-month period beginning December 1, 2012, through June 30, 2016, in an amount  
12 not to exceed \$39,000,000, with up to three two-year options, exercisable at the sole  
13 discretion of this Commission; and

14 WHEREAS, On November 20, 2012, the Board of Supervisors approved Resolution  
15 No. 421-12, authorizing the agreement between SFO Shuttle Bus Company and the City  
16 and County of San Francisco acting by and through its Airport Commission in an amount  
17 not to exceed \$105,000,000 (if all options are exercised) for a term of December 1, 2012,  
18 through June 30, 2016, with up to three options for two years each; and

19 WHEREAS, On May 15, 2015, the Airport Director approved the Assignment and  
20 Assumption through Administrative Modification No. 1, assigning service from SFO Shuttle  
21 Bus Company to SFO Hotel Shuttle, Inc.; and

22 WHEREAS, On March 15, 2016, by Resolution No. 16-0077, the Airport  
23 Commission approved Modification No. 2 to Contract No. 9254 with SFO Hotel Shuttle, Inc.  
24 to provide shuttle bus service at San Francisco International Airport, exercising the first of  
25 three two-year options commencing July 1, 2016, through June 30, 2018, in an amount not

1 to exceed \$23,871,617 for the option period, for a new total not to exceed contract amount  
2 of \$62,871,617; and

3 WHEREAS, On March 21, 2017, by Resolution No. 17-0063, the Airport  
4 Commission approved Modification No. 3 to Contract No. 9254 with SFO Hotel Shuttle, Inc.  
5 to adjust the scope to Contract No. 9254 by adding Airfield bus service and increase  
6 funding in an amount of \$1,410,000 for a new total not to exceed contract amount of  
7 \$64,281,617; and

8 WHEREAS, On January 16, 2018, by Resolution No. 18-0002, the Airport  
9 Commission approved Modification No. 4 to exercise the second of three two-year options  
10 commencing July 1, 2018, through June 30, 2020, in an amount not to exceed  
11 \$28,300,000, for a new total not to exceed contract amount of \$92,581,617; and

12 WHEREAS, On December 18, 2019, by Resolution No. 18-0400 the Airport  
13 Commission approved Modification No. 5 to authorize wage rate increases and include new  
14 reimbursable costs in an amount of \$2,700,000 and a new total not to exceed contract  
15 amount of \$95,281,617; and

16 WHEREAS, SFO Hotel Shuttle, Inc. has satisfactorily provided all aspects of shuttle  
17 bus services, and the contract is set to expire on June 30, 2020; and

18 WHEREAS, A modification to exercise the final two-year option to extend the  
19 agreement is required to retain the shuttle bus services with SFO Hotel Shuttle, Inc.; and

20 WHEREAS, On February 4, 2020, pursuant to Resolution No. 20-0016, the Airport  
21 Commission approved Modification No. 6 to increase the contract amount by \$27,900,000  
22 for a new not to exceed amount of \$123,181,617 and exercise the third and final two-year  
23 option to extend the term from July 1, 2020, through June 30, 2022; and

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

1 County of \$10,000,000, shall be subject to approval by the Board of Supervisors by  
2 resolution; and

3 WHEREAS, The original Contract and Modifications No. 1 through 6 are all on file  
4 with the Clerk of the Board of Supervisors in File No. 200208, which is hereby declared  
5 to be a part of this Resolution as set forth fully herein; now, therefore, be it

6 RESOLVED, That this Commission hereby approves Modification No. 6 to Contract  
7 No. 9254, to increase the contract amount by \$27,900,000 for a new not to exceed amount  
8 of \$123,181,617; and to exercise the third and final two-year option to extend the term from  
9 July 1, 2020, through June 30, 2022.

10 FURTHER RESOLVED, That within 30 days of Modification No. 6 being fully  
11 executed by all parties, the Airport Commission shall provide it to the Clerk of the Board for  
12 inclusion in the official file.

<b>Item 3</b> <b>File 20-0208</b>	<b>Department:</b> San Francisco International Airport (Airport)
<b>EXECUTIVE SUMMARY</b>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>• The proposed resolution would approve Modification No. 6 to the contract between San Francisco International Airport (Airport) and SFO Hotel Shuttle, exercising the final option two-year option to extend the contract to June 2022 for a total term of nine years and seven months; and increasing the not-to-exceed amount by \$27,900,000, from the total budgeted amount of \$95,281,617 through FY 2019-20 to the proposed amount of \$123,181,617 through FY 2021-22.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• The Airport provides free shuttle bus service to various locations, including the Long Term and Employee Parking Garages/Lots, remote Airfield operations locations, as-needed replacement busing during AirTrain outages, and the Oyster Point Ferry Terminal. In November 2012, after the Airport conducted a Request for Proposals (RFP), the Board of Supervisors approved a shuttle bus contract with SFO Shuttle Bus Company for a term of three years and seven months from December 2012 through June 2016 with three two-year options to extend through June 2022, for a total not to exceed \$105,000,000. The first two options have been exercised, and the contract expires June 30, 2020.</li> <li>• The Airport currently provides shuttle bus service to the long-term parking garage, but the AirTrain extension to the garage is expected to be completed in December 2020. If service to the garage is reduced after the AirTrain extension is completed, the contract cost would be reduced by approximately \$500,000 per month. Savings may be used to fund other potential shuttle routes related to terminal construction. The Airport is also considering terminating shuttle service to the Oyster Point Ferry Terminal, which would reduce contract costs by approximately \$150,000 over the extension term.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• The contract budget over the two year-extension is \$27,900,000, which will be included in the Airport's proposed budget for FY 2021-22 and FY 2022-23. Because projected contract expenditures through FY 2019-20 are \$88,270,614, resulting total projected and budgeted expenditures through FY 2022-23 of \$116,181,617, the Budget and Legislative Analyst recommends amending the proposed resolution to reduce the contract not-to-exceed amount.</li> </ul> <p style="text-align: center;"><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• Amend the proposed resolution to provide for a contract not-to-exceed amount of \$116,181,617 rather than the amount in the resolution of \$123,181,617.</li> <li>• Approve the resolution as amended.</li> </ul>	

## MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

## BACKGROUND

The San Francisco International Airport (Airport) provides free shuttle bus service to various locations, including the Long Term and Employee Parking Garages/Lots, remote Airfield operations locations, as-needed emergency busing during AirTrain outages, and the Oyster Point Ferry Terminal.

In June 2012, the Airport conducted a Request for Proposals to select a new shuttle provider. SFO Shuttle Bus Company, the existing shuttle provider, was deemed the highest scoring responsive and responsible proposer and was awarded a new contract. In November 2012, the Board of Supervisors approved a contract with SFO Shuttle Bus Company (now known as SFO Hotel Shuttle) for a term of three years and seven months, from December 2012 through June 2016, for an amount not to exceed \$39,000,000, with three two-year options to extend through June 2022, for a total not to exceed \$105,000,000 (File 12-1032).

The contract has since been modified five times, as shown in Table 1 below. Changes in contract scope to accommodate Airport construction have resulted in cost acceleration beyond what was anticipated in the initial contract, including addition of airfield busing service, addition of regular AirTrain replacement bus service due to construction, and discontinuation of Lot B shuttle service.

**Table 1: SFO Hotel Shuttle Contract Modifications**

No.	Date	Approval Type	Description	Not-to-Exceed Amount
1	5/15/2015	Administrative	Assigned services from SFO Shuttle Bus Company to SFO Hotel Shuttle, Inc.	\$39,000,000
2	3/16/2016	Airport Commission	Exercised first two-year option to extend and updated administrative changes required by City contracting ordinances	\$62,871,617
3	3/21/2017	Airport Commission	Adjusted contract scope to include airfield bus service and increased funding	\$64,281,617
4	1/16/2018	Airport Commission	Exercised second two-year option to extend	\$92,581,617
5	12/18/2018	Airport Commission	Authorized wage rate increases and additional reimbursable costs in Calculation of Charges	\$95,281,617

In February 2020, the Airport Commission approved Modification No. 6 to the contract, the subject of the proposed resolution. Because the original 2012 resolution provided for the Airport to exercise contract modifications up to \$105,000,000, the prior five modifications were not subject to Board of Supervisors approval.

**DETAILS OF PROPOSED LEGISLATION**

The proposed resolution would approve Modification No. 6 to the contract between the Airport and SFO Hotel Shuttle, exercising the final two-year option to extend the contract through June 2022, and increasing the not-to-exceed amount by \$27,900,000, for a total not to exceed \$123,181,617.

The shuttle currently provides service on the following routes:

1. Lot D to and from the terminals: service every 5 minutes, every 5-15 minutes late night;
2. Long-term parking garage to and from the terminals: service every 4-5 minutes, every 12 minutes late night (currently suspended);
3. West Field Garage to and from the terminals: service every 10 minutes, every 15 minutes late night; and
4. Airfield busing service (currently suspended).

The AirTrain connection to the long-term parking garage had been scheduled to be completed in March 2020, but it is now scheduled to be completed in December 2020. According to Mr. Seth Morgan, Airport Senior Transportation Planner, the Airport will likely reduce shuttle bus service to the long-term parking garage once the AirTrain connection is completed, reducing contract costs by approximately \$500,000 per month. However, Airport staff is considering other shuttle routes related to terminal construction, so savings may be used to fund these potential routes.

The shuttle also provides service to Oyster Point Ferry Terminal for Airport employees and some travelers commuting by ferry from the East Bay. The shuttle runs three times each morning and three times each evening, but ridership is low. According to Mr. Morgan, Airport staff is analyzing whether or not the service is sustainable. If service is terminated, the total cost of the contract extension would be reduced by approximately \$150,000.

**Contract Performance**

The contract between the Airport and SFO Hotel Shuttle defines hours of operation, bus routes, staffing levels, fleet maintenance, reporting, and other contract requirements. According to Mr. Morgan, the Airport conducts unscheduled inspections of the operation, regular check-in meetings to discuss performance concerns, and invoice reviews to ensure continued high-quality provision of the contracted service.

**FISCAL IMPACT**

The proposed Modification No. 6 would increase the not-to-exceed amount of the contract by \$27,900,000 over the two-year extension period, as shown in Table 2 below.

**Table 2: Contract Budget over Two-Year Extension Term**

Item	FY 2020-21	FY 2021-22	Total
Direct Labor Costs <sup>1</sup>	\$6,796,752	\$6,860,303	\$13,657,056
Labor Fringes (Benefits, Workers' Compensation, Other)	3,303,638	3,334,528	6,638,166
Facility Costs (Utilities, Supplies, etc.)	39,005	39,369	78,374
Bus Expenses (Fuel, Parts, Cleaning, etc.)	2,253,470	2,274,540	4,528,010
Management Costs (Management Fee, Insurance, Travel, etc.)	1,492,221	1,506,173	2,998,395
<b>Total</b>	<b>\$13,885,086</b>	<b>\$14,014,914</b>	<b>\$27,900,000</b>

According to Mr. Morgan, sufficient funding is available in the Airport's proposed FY 2020-22 two-year operating budget, pending Board of Supervisors approval. Due to the impact of COVID-19 on air travel, actual expenditures on the shuttle contract are likely to be lower than \$27,900,000 over the two-year extension term.

According to Airport expenditure data, projected expenditures on the contract through June 2020 are approximately \$88,270,614. Therefore, the Budget and Legislative Analyst recommends amending the proposed resolution to provide for a contract not-to-exceed amount of \$116,181,617<sup>2</sup> rather than the amount in the resolution of \$123,181,617.

### POLICY CONSIDERATION

The Controller has estimated revenue shortfalls in the Airport's FY 2019-20 budget of \$190 million to \$220 million due to reduced air travel due to COVID-19. As noted in prior Budget and Legislative Analyst reports, the Airport has sources of funds to offset lost operating revenues due to reduced air travel, including \$530 million in Passenger Facility Fund balance and \$254.8 million in Coronavirus Aid, Relief and Economic Stimulus (CARES) Act funds.

### RECOMMENDATIONS

1. Amend the proposed resolution to provide for a contract not-to-exceed amount of \$116,181,617 rather than the amount in the resolution of \$123,181,617.
2. Approve the resolution as amended.

<sup>1</sup> Under the contract, the Airport pays for half of employee wage rate increases (under prevailing wage rates), while the other half is paid from the shuttle provider's margins. According to Mr. Morgan, the increase in employee shuttles used by Bay Area employers has caused prevailing wages to rise much faster than had been originally anticipated.

<sup>2</sup> This amount includes \$88,270,614 in projected expenditures through June 2020 and \$29,700,000 in budgeted expenditures through June 2022.



**City and County of San Francisco  
Airport Commission  
P.O. Box 8097  
San Francisco, California 94128**

**Modification No. 6**

THIS MODIFICATION (this "Modification") is made as of March 1, 2020 in San Francisco, California, by and between **SFO Hotel Shuttle, Inc.** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission, hereinafter referred to as "**Commission.**"

RECITALS

WHEREAS, on June 7, 2011, by Resolution No. 234-11 and on June 5, 2012, by Resolution No. 206-12, the Board of Supervisors approved the contracting out of shuttle bus services concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, on October 9, 2012, by Resolution Number 12-0220, the Commission awarded Contract No. 9254 to SFO Hotel Shuttle Bus Company for the period of December 1, 2012 through June 30, 2016 in an amount not-to-exceed \$39,000,000; and

WHEREAS, on November 20, 2012, by Resolution No. 421-12, the Board of Supervisors approved Contract No. 9254 under San Francisco Charter Section 9.118 for the period of December 1, 2012 through June 30, 2022, in an amount not-to-exceed \$105,000,000; and

WHEREAS, on June 3, 2014, by Resolution No. 182-14, the Board of Supervisors approved the continuing contracting out of shuttle bus services for FY 2014/15 & FY 2015/16, concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, on May 15, 2015, the Airport Director approved the Assignment and Assumption and First Modification, which assigned services from SFO Shuttle Bus Company to SFO Hotel Shuttle, Inc.; including the cost for bus cleaning services as a reimbursable expense and to retroactively pay for the bus cleaning service during the period of December 2012 through April 2015;

WHEREAS, on March 15, 2016, by Resolution Number 16-0077, the Commission approved Modification No. 2 to Contract No. 9254 with SFO Hotel Shuttle, Inc. to provide shuttle bus service at San Francisco International Airport, exercising the first of three (3) two-year options commencing July 1, 2016 through June 30, 2018, in an amount of \$23,871,617, for a new total contract amount not to exceed \$62,871,617;

WHEREAS, on July 19, 2016, by Resolution No. 307-16, the Board of Supervisors approved the continuing contracting out of shuttle bus services for FY 2016/17 & FY 2017/18, concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, on March 21, 2017, by Resolution Number 17-0063, the Commission approved Modification No. 3 to Contract No. 9254 with SFO Hotel Shuttle, Inc. to increase the contract amount by \$1,410,000, for a new not-to-exceed amount of \$64,281,617;

WHEREAS, on January 16, 2018, by Resolution No. 18-0002, the Commission approved Modification No. 4 to exercise the second of three (3) two-year options commencing July 1, 2018 through June 30, 2020, in an amount of \$28,300,000, for a new total contract amount not to exceed \$92,581,617;

WHEREAS, on May 22, 2018, by Resolution No. 167-18, the Board of Supervisors approved the continuing contracting out of shuttle bus services for FY 2018/19 & FY 2019/20, concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, on December 18, 2018, by Resolution No. 18-0400, the Commission approved Modification No. 5 to authorize wage rate increases and additional reimbursable costs in an amount of \$2,700,000, for a new total contract amount not-to-exceed \$95,281,617; and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to exercise the final of three (3) two-year options commencing July 1, 2020 through June 30, 2022, in an amount not to exceed \$27,900,000, for a new total contract amount not to exceed \$123,181,617 and update standard clauses; and

WHEREAS, on February 4, 2020 by Resolution No. 20-0016, the Commission approved this Modification to the Agreement to extend the term through June 30, 2022 and to increase the contract amount by \$27,900,000 for a new total contract amount not to exceed \$123,181,617; and

WHEREAS, on [insert date], by Resolution No. [insert resolution number], the Board of Supervisors approved the Agreement under San Francisco Charter Section 9.118; and

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions**

**a. Agreement** has been revised. The definition "Agreement" shall mean the Agreement dated October 9, 2012 between Contractor and City, as amended by the:

Modification No. 1,	dated May 15, 2015 and
Modification No. 2,	dated July 1, 2016 and
Modification No. 3,	dated December 1, 2017 and
Modification No. 4,	dated July 1, 2018 and
Modification No. 5,	dated January 1, 2019.

**2. New Definitions**, are hereby added to the Agreement as follows:

The following definitions apply to this Agreement:

**b. "City" or "the City"** means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration, referred to as "Purchasing," or the Director's designated agent, Airport Commission.

c. "City Data" or "Data" includes, but is not limited to, all data collected, used, maintained, processed, stored, or generated by or on behalf of the City in connection with this Agreement. This includes data that is provided by a third-party for use under this Agreement.

d. "CMD" means the Contract Monitoring Division of the City.

e. "Confidential Information" means confidential City information including, but not limited to, personally-identifiable information ("PII"), protected health information ("PHI"), or individual financial information (collectively, "Proprietary or Confidential Information") that is subject to local, state or federal laws restricting the use and disclosure of such information, including, but not limited to, Article 1, Section 1 of the California Constitution; the California Information Practices Act (Civil Code § 1798 et seq.); the California Confidentiality of Medical Information Act (Civil Code § 56 et seq.); the federal Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801(b) and 6805(b)(2)); the privacy and information security aspects of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act (45 CFR Part 160 and Subparts A, C, and E of part 164); and San Francisco Administrative Code Chapter 12M (Chapter 12M).

f. "Contractor" or "Consultant" means SFO Hotel Shuttle, Inc., 54 Tanforan Avenue, South San Francisco, CA 94080.

g. "Deliverables" means Contractor's work product resulting from the Services that are provided by Contractor to City during the course of Contractor's performance of the Agreement, including without limitation, the work product described in the "Scope of Services" attached as Appendix A.

h. "Effective Date" means the date upon which the City's Controller certifies the availability of funds for this Agreement as provided in Section 3.

i. "Mandatory City Requirements" means those City laws set forth in the San Francisco Municipal Code, including the duly authorized rules, regulations, and guidelines implementing such laws that impose specific duties and obligations upon Contractor.

j. "Party" and "Parties" mean the City and Contractor either collectively or individually.

k. "Services" means the work performed by Contractor under this Agreement as specifically described in the "Scope of Services" attached as Appendix A, including all services, labor, supervision, materials, equipment, actions and other requirements to be performed and furnished by Contractor under this Agreement.

l. **Other Terms.** Terms used and not defined in this Modification shall have the meanings assigned to such terms in the Agreement.

3. **Section 2. Term of the Agreement,** is hereby amended to extend the term of the contract for two years for a new ending date of June 30, 2022.

4. **Section 5. Compensation,** is hereby amended to increase the total compensation payable by an amount not to exceed \$27,900,000 for a new total not-to-exceed amount of \$123,181,617.

5. **Section 20 Default; Remedies** is hereby amended to include **Section 84 "Management of City Data and Confidential Information"** into the table.

6. **Section 22 Rights and Duties upon Termination or Expiration** is hereby amended to include **Section 84 “Management of City Data and Confidential Information”** into the table.

7. **Section 24 Proprietary or Confidential Information of City** is hereby deleted in its entirety and replaced to read as follows:

**24. Confidential Information.** In the performance of Services, Contractor may have access to City Data and /or City’s Confidential Information, the disclosure of which to third parties may damage City. If City discloses City Data or Confidential Information to Contractor, such information must be held by Contractor in confidence and used only in performing the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own Confidential Information.

8. **Section 30 Assignment** is hereby deleted in its entirety and replaced to read as follows:

**30. Assignment.** The Services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations may be directly or indirectly assigned, novated, hypothecated, transferred, or delegated by Contractor, or, where the Contractor is a joint venture, a joint venture partner, (collectively referred to as an “Assignment”) unless first approved by City by written instrument executed and approved in the same manner as this Agreement in accordance with the Administrative Code. The City’s approval of any such Assignment is subject to the Contractor demonstrating to City’s reasonable satisfaction that the proposed transferee is: (i) reputable and capable, financially and otherwise, of performing each of Contractor’s obligations under this Agreement and any other documents to be assigned, (ii) not forbidden by applicable law from transacting business or entering into contracts with City; and (iii) subject to the jurisdiction of the courts of the State of California. A change of ownership or control of Contractor or a sale or transfer of substantially all of the assets of Contractor shall be deemed an Assignment for purposes of this Agreement. Contractor shall immediately notify City about any Assignment. Any purported Assignment made in violation of this provision shall be null and void.

9. **Section 42 Limitations on Contributions** is hereby deleted in its entirety and replaced to read as follows:

**42. Limitations on Contributions.** By executing this Agreement, Contractor acknowledges its obligations under section 1.126 of the City’s Campaign and Governmental Conduct Code, which prohibits any person who contracts with, or is seeking a contract with, any department of the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, for a grant, loan or loan guarantee, or for a development agreement, from making any campaign contribution to (i) a City elected official if the contract must be approved by that official, a board on which that official serves, or the board of a state agency on which an appointee of that official serves, (ii) a candidate for that City elective office, or (iii) a committee controlled by such elected official or a candidate for that office, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve months after the date the City approves the contract. The prohibition on contributions applies to each prospective party to the contract; each member of Contractor’s board of directors; Contractor’s chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 10% in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Contractor certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the contract, and has

provided the names of the persons required to be informed to the City department with whom it is contracting.

**10. Section 43 Minimum Compensation Ordinance** is hereby deleted in its entirety and replaced to read as follows:

**43. Minimum Compensation Ordinance.** If Administrative Code Chapter 12P applies to this contract, Contractor shall pay covered employees no less than the minimum compensation required by San Francisco Administrative Code Chapter 12P, including a minimum hourly gross compensation, compensated time off, and uncompensated time off. Contractor is subject to the enforcement and penalty provisions in Chapter 12P. Information about and the text of the Chapter 12P is available on the web at <http://sfgov.org/olse/mco>. Contractor is required to comply with all of the applicable provisions of 12P, irrespective of the listing of obligations in this Section. By signing and executing this Agreement, Contractor certifies that it complies with Chapter 12P.

**11. Section 44 Health Care Accountability Ordinance** is hereby deleted in its entirety and replaced to read as follows:

**44. Health Care Accountability Ordinance.** If Administrative Code Chapter 12Q applies to this contract, Contractor shall comply with the requirements of Chapter 12Q. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission. Information about and the text of the Chapter 12Q, as well as the Health Commission's minimum standards, is available on the web at <http://sfgov.org/olse/hcao>. Contractor is subject to the enforcement and penalty provisions in Chapter 12Q. Any Subcontract entered into by Contractor shall require any Subcontractor with 20 or more employees to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section.

**12. Section 57 Protection of Private Information** is hereby deleted in its entirety and replaced to read as follows:

**57. Protection of Private Information.** If this Agreement requires City to disclose "Private Information" to Contractor within the meaning of San Francisco Administrative Code Chapter 12M, Contractor and subcontractor shall use such information only in accordance with the restrictions stated in Chapter 12M and in this Agreement and only as necessary in performing the Services. Contractor is subject to the enforcement and penalty provisions in Chapter 12M.

**13. Section 58 Sugar-Sweetened Beverage Prohibition** is hereby deleted in its entirety and replaced to read as follows:

**58. Distribution of Beverages and Water.**

**58.1 Sugar-Sweetened Beverage Prohibition.** Contractor agrees that it shall not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Agreement.

**58.2 Packaged Water Prohibition.** Contractor agrees that it shall not sell, provide, or otherwise distribute Packaged Water, as defined by San Francisco Environment Code Chapter 24, as part of its performance of this Agreement.

**14. New Section 80 Withholding** is hereby added to the Agreement to read as follow:

**80. Withholding.** Contractor agrees that it is obligated to pay all amounts due to the City under the San Francisco Business and Tax Regulations Code during the term of this Agreement. Pursuant to Section 6.10-2 of the San Francisco Business and Tax Regulations Code, Contractor further acknowledges and agrees that City may withhold any payments due to Contractor under this Agreement if Contractor is delinquent in the payment of any amount required to be paid to the City under the San Francisco Business and Tax Regulations Code. Any payments withheld under this paragraph shall be made to Contractor, without interest, upon Contractor coming back into compliance with its obligations.

**15. New Section 81 Consideration of Salary History** is hereby added to the Agreement to read as follow:

**81. Consideration of Salary History.** Contractor shall comply with San Francisco Administrative Code Chapter 12K, the Consideration of Salary History Ordinance or "Pay Parity Act." Contractor is prohibited from considering current or past salary of an applicant in determining whether to hire the applicant or what salary to offer the applicant to the extent that such applicant is applying for employment to be performed on this Agreement or in furtherance of this Agreement, and whose application, in whole or part, will be solicited, received, processed or considered, whether or not through an interview, in the City or on City property. The ordinance also prohibits employers from (1) asking such applicants about their current or past salary or (2) disclosing a current or former employee's salary history without that employee's authorization unless the salary history is publicly available. Contractor is subject to the enforcement and penalty provisions in Chapter 12K. Information about and the text of Chapter 12K is available on the web at <https://sfgov.org/olse/consideration-salary-history>. Contractor is required to comply with all of the applicable provisions of 12K, irrespective of the listing of obligations in this Section.

**16. New Section 82 Notification of Legal Requests** is hereby added to the Agreement to read as follows:

**82. Notification of Legal Requests.** Contractor shall immediately notify City upon receipt of any subpoenas, service of process, litigation holds, discovery requests and other legal requests ("Legal Requests") related to all data given to Contractor by City in the performance of this Agreement ("City Data" or "Data"), or which in any way might reasonably require access to City's Data, and in no event later than 24 hours after it receives the request. Contractor shall not respond to Legal Requests related to City without first notifying City other than to notify the requestor that the information sought is potentially covered under a non-disclosure agreement. Contractor shall retain and preserve City Data in accordance with the City's instruction and requests, including, without limitation, any retention schedules and/or litigation hold orders provided by the City to Contractor, independent of where the City Data is stored.

**17. New Section 83 Incorporation of Recitals** is hereby added to the Agreement to read as follows:

**83. Incorporation of Recitals.** The matters recited above are hereby incorporated into and made part of this Agreement.

**18. New Section 84 Management of City Data and Confidential Information** is hereby added to the Agreement to read as follows:

**84. Management of City Data and Confidential Information**

**Access to City Data.** City shall at all times have access to and control of all data given to Contractor by City in the performance of this Agreement ("City Data" or "Data"), and shall be able to retrieve it in a readable format, in electronic form and/or print, at any time, at no additional cost.

**84.2 Use of City Data and Confidential Information.** Contractor agrees to hold City's Confidential Information received from or created on behalf of the City in strictest confidence. Contractor shall not use or disclose City's Data or Confidential Information except as permitted or required by the Agreement or as otherwise authorized in writing by the City. Any work using, or sharing or storage of, City's Confidential Information outside the United States is subject to prior written authorization by the City. Access to City's Confidential Information must be strictly controlled and limited to Contractor's staff assigned to this project on a need-to-know basis only. Contractor is provided a limited non-exclusive license to use the City Data or Confidential Information solely for performing its obligations under the Agreement and not for Contractor's own purposes or later use. Nothing herein shall be construed to confer any license or right to the City Data or Confidential Information, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third-party. Unauthorized use of City Data or Confidential Information by Contractor, subcontractors or other third-parties is prohibited. For purpose of this requirement, the phrase "unauthorized use" means the data mining or processing of data, stored or transmitted by the service, for commercial purposes, advertising or advertising-related purposes, or for any purpose other than security or service delivery analysis that is not explicitly authorized.

**84.3 Disposition of Confidential Information.** Upon termination of Agreement or request of City, Contractor shall within forty-eight (48) hours return all Confidential Information which includes all original media. Once Contractor has received written confirmation from City that Confidential Information has been successfully transferred to City, Contractor shall within ten (10) business days purge all Confidential Information from its servers, any hosted environment Contractor has used in performance of this Agreement, work stations that were used to process the data or for production of the data, and any other work files stored by Contractor in whatever medium. Contractor shall provide City with written certification that such purge occurred within five (5) business days of the purge.

**19. Appendix B Calculation of Charges.** Appendix B Calculation of Charges is hereby amended to include the following rates for the last option years as follows:

The City shall reimburse Contractor for wage increases at the rates set forth in the table below. No further wage increases or new classifications will be approved except through a contract modification.

<b>Wage Rates and Reimbursements</b>		
<b>Effective January 2020</b>		
Classification	Rate Paid by Contractor	Billed Rate to SFO*
Shuttle Bus Drivers	\$30.10	\$29.30
Supervisors	\$30.99	\$28.39
Spotters	\$20.35	\$18.93
<b>Effective July 2020</b>		
Bus Mechanics (Journeyman)	\$40.20	\$37.43
Bus Mechanics (Foreman)	\$44.22	\$41.16
<b>Effective January 2021</b>		
Shuttle Bus Drivers	\$31.25	\$29.88
Supervisors	\$32.14	\$28.97
Spotters	\$21.35	\$19.43
<b>Effective July 2021</b>		

Bus Mechanics (Journeymen)	\$41.80	\$38.23
Bus Mechanics (Foreman)	\$45.98	\$42.04
<b>Effective January 2022</b>		
Shuttle Bus Drivers	\$32.50	\$30.51
Supervisors	\$22.35	\$29.60
Spotters	\$33.39	\$19.93
<b>Effective July 2022</b>		
Bus Mechanics (Journeymen)	\$43.30	\$38.98
Bus Mechanics (Foreman)	\$47.63	\$42.87

*\*Billed rate (Previous billed rate + 50% current of increase)*

**20. Effective Date.** Each of the changes set forth in this Modification shall be effective on and after the date of this Modification.

**21. Legal Effect.** Except as expressly changed by this Modification, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.



IN WITNESS WHEREOF, Contractor and City have executed this Modification as of the date first referenced above.

CITY AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	CONTRACTOR
By: _____ Ivar C. Satero, Airport Director	_____ Authorized Signature
Attest:	_____ Printed Name
By _____ C. Corina Monzón, Secretary Airport Commission	_____ Title
Resolution No: _____	_____ Company Name
Adopted on: _____	_____ City Supplier ID
Approved as to Form:  Dennis J. Herrera City Attorney	_____ Address
By _____ Stacey A. Lucas Deputy City Attorney	_____ City, State, ZIP
	_____ Telephone Number
	_____ Federal Employer ID Number

**City and County of San Francisco  
Airport Commission  
P.O. Box 8097  
San Francisco, California 94128**

**Agreement between the City and County of San Francisco and  
SFO Shuttle Bus Company**

**Contract No. 9254**

This Agreement is made this 9<sup>th</sup> day of October, 2012, in the City and County of San Francisco, State of California, by and between: **SFO Shuttle Bus Company, 325 Fifth St., San Francisco, CA 94107**, hereinafter referred to as "Contractor," and the City and County of San Francisco, a municipal corporation, hereinafter referred to as "City," acting by and through its Airport Commission or the Commission's designated agent, hereinafter referred to as "**Commission.**"

**Recitals**

WHEREAS, Commission wishes to have scheduled shuttle bus service operated at San Francisco International Airport for air passengers and Airport employees, serving the terminal complex, long-term parking lots, and other locations; and,

WHEREAS, Commission is authorized to enter into all contracts which relate to matters under its jurisdiction; and

WHEREAS, a Request for Proposal ("RFP") was issued on June 5, 2012, and City selected Contractor as the highest qualified scorer pursuant to the RFP; and

WHEREAS, Commission awarded this contract to Contractor on October 9, 2012, pursuant to Resolution No. 12-0220; and

WHEREAS, pursuant to San Francisco Charter Section 9.118, the Board of Supervisors by its Resolution No. 421-12, adopted November 20, 2012, approved the contract to Consultant; and

WHEREAS, the Board of Supervisors approved the Controller's certification that the shuttle bus services can be performed at a lower cost than if the work were performed by City employees at current salary and benefit levels on June 7, 2011 pursuant to Resolution No. 234-11; and

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by City as set forth under this Contract; and,

Now, THEREFORE, the parties agree as follows:

**1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of the City's Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without

penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

**2. Term of the Agreement.** Subject to Section 1, the term of this Agreement shall be from December 1, 2012 to June 30, 2016. In addition, the City shall have three (3) additional options of two (2) years each, which may be exercised by the Airport Commission in its sole and absolute discretion.

**3. Effective Date of Agreement.** This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendix A, "Services to be provided by Contractor," attached hereto and incorporated by reference as though fully set forth herein. If Appendix A includes as-needed services, such services shall be requested by City through the issuance of a written task order signed by City and Contractor, which task order shall be made a part of and incorporated into the Agreement as though fully set forth herein without the need for a formal amendment to the Agreement. The task order shall include a description of the as-needed services, the deliverables, schedule for performance, cost, and method and timing of payment.

**5. Compensation.** Compensation shall be made in monthly payments for work, as set forth in Section 4 of this Agreement, that the Airport Director or designee, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed Thirty-nine **Million Dollars (\$39,000,000)**. The City shall have three (3) additional options of two (2) years each, which may be exercised by the, Airport Commission, in its sole and absolute discretion. If the Airport Commission decides to exercise all three (3) additional options of two (2) years each, the total not to exceed amount of this contract would be **One Hundred and Five Million Dollars (\$105,000,000)**. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by Airport Commission as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

The Contractor agrees to pay each subcontractor under this Agreement for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contractor receives from City. The Contractor agrees further to return retainage payments to each subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the City. This clause applies to both DBE and non-DBE subcontractors.

The Controller is not authorized to pay monthly payment requests/invoices submitted by Contractor prior to Contractor's submission of Airport Federal Progress Payment Report – Federal Form 3 and Airport Federal Contract Exit Report and Affidavit – Federal Form 5 with the final payment request/invoice.

In no event shall City be liable for interest or late charges for any late payments.

**6. Guaranteed Maximum Costs.** The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

**7. Payment; Invoice Format.** Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All amounts paid by City to Contractor shall be subject to audit by City. Payment shall be made by City to Contractor at the address specified in the section entitled "Notices to the Parties."

**8. Submitting False Claims; Monetary Penalties.** Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at: [http://www.amlegal.com/nxt/gateway.dll?f=templates&fn=default.htm&vid=amlegal:sanfrancisco\\_ca](http://www.amlegal.com/nxt/gateway.dll?f=templates&fn=default.htm&vid=amlegal:sanfrancisco_ca). A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

**9. Disallowance.** If Contractor claims or receives payment from City for a service, reimbursement for which is later disallowed by the State of California or United States Government, Contractor shall promptly refund the disallowed amount to City upon City's request. At its option, City may offset the amount disallowed from any payment due or to become due to Contractor under this Agreement or any other Agreement. By executing this Agreement, Contractor certifies that Contractor is not suspended, debarred or otherwise excluded from participation in federal assistance programs. Contractor acknowledges that this certification of eligibility to receive federal funds is a material terms of the Agreement.

**10. Taxes.**

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of City property for private gain. If such a possessory interest is created, then the following shall apply:

(1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

(2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

(4) Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

**11. Payment Does Not Imply Acceptance of Work.** The granting of any payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay.

**12. Qualified Personnel.** Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

**13. Responsibility for Equipment.** City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by City.

**14. Independent Contractor; Payment of Taxes and Other Expenses.**

**a. Independent Contractor.** Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to,

FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor. Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

**b. Payment of Taxes and Other Expenses.** Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability). A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in City's financial liability so that City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

## **15. Insurance.**

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than \$2,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(3) Commercial Automobile Liability Insurance with limits not less than \$5,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

(1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty days' advance written notice to the City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the City address in the "Notices to the Parties" section.

e. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

f. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

g. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

h. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

i. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

j. If a subcontractor will be used to complete any portion of this agreement, the Contractor shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents and employees and the Contractor listed as additional insureds.

**16. Indemnification.** Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such

loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City. In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter. Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

**17. Incidental and Consequential Damages.** Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

**18. Liability of City.** CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

**19. Liquidated Damages.** By entering into this Agreement, Contractor agrees that in the event the Services, as provided under Appendix A herein, are interrupted or otherwise not provided, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of Nine Thousand Two Hundred dollars (\$9,200.00) per day for each day, or partial day, of service is not provided is not a penalty, but is a reasonable estimate of the loss that City will incur based on the interruption of service, established in light of the circumstances existing at the time this contract was awarded. City may deduct a sum representing the liquidated damages from any money due to Contractor. Such deductions shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to deliver to City within the time fixed or such extensions of time permitted in writing by Purchasing.

**20. Default; Remedies.** Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

a. Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

- |   |                                       |
|---|---------------------------------------|
| 8. Submitting False Claims                          | 37. Drug-free Workplace Policy,       |
| 10. Taxes   | 53. Compliance with Laws              |
| 15. Insurance                                       | 55. Supervision of Minors             |
| 24. Proprietary or Confidential Information of City | 57. Protection of Private Information |
| 30. Assignment                                      | 58. Graffiti Removal                  |



b. Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

c. Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

d. A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

## **21. Termination for Convenience**

a. City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Such actions shall include, without limitation:

- (1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by City.
- (2) Not placing any further orders or subcontracts for materials, services, equipment or other items.
- (3) Terminating all existing orders and subcontracts.

(4) At City's direction, assigning to City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(5) Subject to City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(6) Completing performance of any services or work that City designates to be completed prior to the date of termination specified by City.

(7) Taking such action as may be necessary, or as the City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which City has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to City an invoice, which shall set forth each of the following as a separate line item:

(1) The direct labor cost to Contractor, without profit, for all services and other work City directed Contractor to perform prior to the specified termination date, for which services or work City has not already tendered payment.

(2) Allowable reimbursable costs incurred prior to the specified termination date, for which reimbursable expenses City has not already tendered payment

(3) Monthly management fee for which services or work City has not already tendered payment.

d. In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by City, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, City may deduct: (1) all payments previously made by City for work or other services covered by Contractor's final invoice; (2) any claim which City may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the City, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and City's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. City's payment obligation under this Section shall survive termination of this Agreement.

**22. Rights and Duties upon Termination or Expiration.** This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement:

- |   |   |
|---|---|
| 8. Submitting False Claims                                      | 26. Ownership of Results                                |
| 9. Disallowance   | 27. Works for Hire                                      |
| 10. Taxes   | 28. Audit and Inspection of Records                     |
| 11. Payment Does Not Imply Acceptance of Work                   | 48. Modification of Agreement.                          |
| 13. Responsibility for Equipment                                | 49. Administrative Remedy for Agreement Interpretation. |
| 14. Independent Contractor; Payment of Taxes and Other Expenses | 50. Agreement Made in California; Venue                 |
| 15. Insurance   | 51. Construction  |
| 16. Indemnification   | 52. Entire Agreement                                    |
| 17. Incidental and Consequential Damages                        | 56. Severability  |
| 18. Liability of City   | 57. Protection of private information                   |
| 24. Proprietary or Confidential Information of City             |   |

Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City. This subsection shall survive termination of this Agreement.

**23. Conflict of Interest.** Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

**24. Proprietary or Confidential Information of City.** Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

**25. Notices to the Parties.** Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, or by e-mail, and shall be addressed as follows:

To City: Michael Lawrance  
Senior Transportation Planner  
San Francisco International Airport  
P.O. Box 8097  
San Francisco, CA 94128  
[michael.lawrance@flysfso.com](mailto:michael.lawrance@flysfso.com)

To Contractor: Jeff Leonoudakis  
President  
SFO Shuttle Bus Company  
325 Fifth St.  
San Francisco, CA 94107  
[jeff.leonoudakis@sfoshuttle.com](mailto:jeff.leonoudakis@sfoshuttle.com)

Any notice of default must be sent by registered mail.

**26. Ownership of Results.** Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

**27. Works for Hire.** If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the City. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the City, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

**28. Audit and Inspection of Records.** Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon City by this Section.

**29. Subcontracting.** Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

**30. Assignment.** The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by City by written instrument executed and approved in the same manner as this Agreement.

**31. Non-Waiver of Rights.** The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

**32. Earned Income Credit (EIC) Forms.** Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

**33. Federal Non-Discrimination Provisions**

**49 CFR Part 21.** Contractor for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that Contractor shall maintain and operate the Airport facilities and services in compliance with all requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, as said regulations may be amended. Contractor, for itself, its personal representatives, successors in interest, and assigns, agrees that Contractor in its operation at and use of San Francisco International Airport, covenants that (1) no person on the grounds of race, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over, or under the Airport and the furnishing of services thereon, no person on the grounds of race, color, national origin or sex shall be excluded from participation or denied the benefits of, or otherwise be subject to discrimination, (3) that Contractor shall use all City premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A – Office of the Secretary of Transportation, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. These Regulations are incorporated as though fully set forth herein. Contractor agrees to include the above statements in any subsequent contract that it enters into with subcontractors and cause those agreements to similarly include the statements, and cause those businesses to include the statements in further agreements.

**49 CFR Part 23.** This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 Code of Federal Regulations, Part 23. Contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 Code of Federal Regulations Part 23. Contractor agrees to include the above statements in any subsequent contract covered by 49 Code of Federal Regulations, Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.

Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Airport deems appropriate.

#### **34. Nondiscrimination; Penalties**

**a. Contractor Shall Not Discriminate.** In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

**b. Subcontracts.** Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

**c. Nondiscrimination in Benefits.** Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

**d. Condition to Contract.** As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

**e. Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

**35. MacBride Principles—Northern Ireland.** Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do

business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

**36. Tropical Hardwood and Virgin Redwood Ban.** Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

**37. Drug-Free Workplace Policy.** Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

**38. Resource Conservation.** Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

**39. Compliance with Americans with Disabilities Act.** Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

**40. Sunshine Ordinance.** In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

**41. Public Access to Meetings and Records.** If the Contractor receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

**42. Limitations on Contributions.** Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or

loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

#### **43. Requiring Minimum Compensation for Covered Employees.**

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at [www.sfgov.org/olse/mco](http://www.sfgov.org/olse/mco). A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor.

f. Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a



breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.

**44. Requiring Health Benefits for Covered Employees.** Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at [www.sfgov.org/olse](http://www.sfgov.org/olse). Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

#### **45. First Source Hiring Program**

a. **Application of Administrative Code Provisions by Reference.** The provisions of Chapter 83 of the San Francisco Administrative Code apply to this Agreement. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter,

including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. **First Source Hiring Agreement.** As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs maybe certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and

implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

6) Set the term of the requirements.

7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. **Hiring Decisions.** Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. **Exceptions.** Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. **Liquidated Damages.** Contractor agrees:

1) To be liable to the City for liquidated damages as provided in this section;

2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

(a) The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

(b) In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

Therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. **Subcontracts.** Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

**46. Prohibition on Political Activity with City Funds.** In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

**47. Preservative-treated Wood Containing Arsenic.** Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

**48. Modification of Agreement.** This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. Contractor shall complete and submit an Airport Federal Contract Modification – Federal Form 4 with every Modification of the Agreement.

**49. Administrative Remedy for Agreement Interpretation.** Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

**50. Agreement Made in California; Venue.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

**51. Construction.** All paragraph captions are for reference only and shall not be considered in construing this Agreement.

**52. Entire Agreement.** This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48, "Modification of Agreement."

**53. Compliance with Laws.** Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

**54. Services Provided by Attorneys.** Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

**55. Supervision of Minors: Reserved**

**56. Severability.** Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

**57. Protection of Private Information.** Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

**58. Graffiti Removal.** Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an

increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti. Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

**59. Food Service Waste Reduction Requirements.** Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

**60. Slavery Era Disclosure: Reserved**

**61. Cooperative Drafting.** This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

**62. Dispute Resolution Procedure: Reserved**

**63. Airport Intellectual Property.** Pursuant to Resolution No. 01-0118, adopted by the Airport Commission on April 18, 2001, the Airport Commission affirmed that it will not tolerate the unauthorized use of its intellectual property, including the SFO logo, CADD designs, and copyrighted publications. All

proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport (including subcontractors and subtenants) may not use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Airport Director's prior consent.

**64. Labor Peace / Card Check Rule.** Without limiting the generality of other provisions herein requiring Contractor to comply with all Airport Rules, Contractor shall comply with the Airport's Labor Peace / Card Check Rule, adopted on February 1, 2000, pursuant to Airport Commission Resolution No. 00-0049 (the "Labor Peace / Card Check Rule"). Capitalized terms not defined in this provision are defined in the Labor Peace/Card Check Rule. To comply with the Labor Peace/Care Check Rule, Contractor shall, among other actions: (a) Enter into a Labor Peace/Care Check Rule Agreement with any Labor Organization which requests such an agreement and which has registered with the Airport Director or his / her designee, within thirty (30) days after Labor Peace/Care Check Rule Agreement has been requested; (b) Not less than thirty (30) days prior to the modification of this Agreement, Contractor shall provide notice by mail to any Labor Organization or federation of labor organizations which have registered with the Airport Director or his / her designee (registered labor organization"), that Contractor is seeking to modify or extend this Agreement; (c) Upon issuing any request for proposals, invitations to bid, or similar notice, or in any event not less than thirty (30) days prior to entering into any Subcontract, Contractor shall provide notice to all registered Labor Organizations that Contractor is seeking to enter into such Subcontract; and (d) Contractor shall include in any subcontract with a Subcontractor performing services pursuant to any covered Contract, a provision requiring the Subcontractor performing services pursuant to any covered Contract, a provision requiring the Subcontractor to comply with the requirements of the Labor Peace/Card Check Rule. If Airport Director determines that Contractor violated the Labor Peace/Card Check Rule, Airport Director shall have the option to terminate this Agreement, in addition to exercising all other remedies available to him / her.

**65. Premises**

**a. Office Space.** Commission shall provide Contractor with offices located adjacent to the Shuttle Bus Maintenance Base. Furnishings, including facsimile machines, photocopiers, and computers that are the property of the City shall be used strictly for the management and staffing of the Airport's Shuttle Bus Program as set forth in this Agreement. The furnishings shall be maintained in good working order throughout the term of this Agreement by Contractor.

**b. Relocation, Expansion and Reduction.** At any time during the term of this Agreement, the Airport may require that the Contractor's office space(s) be relocated on Airport property, or expand or reduce the number or size of the Contractor's office space, as determined by the needs of the Airport. Any such relocation, expansion or reduction shall be undertaken by the Airport at City's expense.

**66. Use of Premises**

**a. Permitted Uses.** Contractor shall use the designated office space(s) on a non-exclusive basis to perform management and administrative tasks required to operate the Airport's Shuttle Bus Program. Office space(s) shall be used for no other service other than those described in Appendix A. Contractor shall not place or install any office equipment and/or furniture outside the boundaries of the premises without the express written consent of Director or his designee. Contractor may install and operate necessary and appropriate signs for the operation of the shuttle bus service, subject to the approval of Director or his designee as to the number, size, height, location, color, and general type and design. Such approval shall be subject to revocation by Director or his designee at any time.

**b. Prohibited Uses.** The designated office space(s) shall not be used except for the purposes specified in Appendix A. Contractor shall not do, or cause or permit anything to be done, in or about the



premises, or bring or keep anything thereon which will increase in any way the rate of fire insurance on the premises or any of its contents; or create a nuisance; or in any way obstruct or interfere with the rights of others on the premises, or injure or annoy them; or commit or suffer to be committed any waste upon the premises; or use or allow said premises to be used, for any improper, immoral, unlawful or objectionable purposes. Contractor shall not display any advertising pamphlets, circulars, brochures, signs, or similar materials outside the designated office space(s) unless approved in writing by Director or his designee.

## **67. Operations**

**a. Day-to-Day Shuttle Bus Operations.** Contractor understands and agrees that its operation under this Agreement is a service benefiting airline passengers, Airport employees, and the users of the Airport, and that Contractor shall conduct its operation in a first-class, businesslike, efficient, courteous and accommodating manner. All of Contractor's employees shall be properly licensed. Drivers shall be professional, courteous, and responsive to the needs of passengers. Director or his designee shall have the right to make objections to the character of the service rendered to the public, and the appearance and condition of the designated office space(s) or personnel. Contractor agrees to promptly discontinue or remedy any such objectionable practice. If Director or his designee is not satisfied with the performance of Contractor's service for any reason, Director or his designee shall so notify Contractor in writing. In such event, the parties shall discuss the problem(s) and shall use their best efforts to resolve any problems with Contractor's agents. Failure to maintain day-to-day shuttle operations in the manner described herein and in Appendix A shall be a material breach of this Agreement.

**b. Shuttle Bus Repair and Maintenance.** Contractor shall at all times maintain shuttle buses as more fully set forth in Appendix A, attached hereto. Failure to comply with the provisions of Appendix A shall be a material breach of this Agreement.

**c. Representative of Contractor.** Contractor shall at all reasonable times retain on Airport property at least one representative from On-Site Management Staff, authorized to represent and act for it in matters pertaining to its operation, and shall keep Director or his designee informed in writing of the identity of each such person.

**d. Investigation Reports.** Contractor agrees that, as required by Director or his designee, it will conduct an internal investigations and prepare a written reports of the quality of the service and operational techniques being used by Contractor. Contractor shall cause such investigation and observation to be made at such reasonable times and in the manner directed by Director or his designee, and shall deliver forthwith to Director or his designee a true and complete written copy of any such reports made by Contractor.

**d. Reservations by Director or his Designee.** Director or his designee shall have the right, without any obligation to do so, at any reasonable time and as often as it considers necessary (a) to inspect any of said premises; (b) to enter thereon to make ordinary repairs to Commission's property; and (c) in the event of an emergency, to take such action therein as may be required for the operation of emergency services and the protection of persons or property. Contractor shall provide Director or his designee with emergency access to the premises.

**68. Secured Guarantee.** Contractor guarantees the work of itself and all subcontractors, and covenants that the work shall be completed and operational consistent with the terms of this Agreement and all of its Appendices. Contractor shall secure its guarantee in the amount of a Five Hundred Thousand dollar (\$500,000) Letter of Credit to be maintained over the life of the contract.

Should Contractor fail to perform the work as guaranteed, the full amount of the Letter of Credit shall be immediately paid to City.

Separate from and in addition to the Letter of Credit described above, the Contractor shall also be required to maintain Two Million Seven Hundred Thousand dollars (\$2,700,000) in available liquid resources throughout the term of the contract. Such resources may be in the form of the following:

- a) Cash, based on an average bank account cash balance over the past 18 months;
- b) A line of credit;
- c) An equity line of credit; or
- d) Any combination of these resources.

The contractor shall provide that a lapse in available liquidity may constitute a material breach of contract and may be grounds for termination of the contract for fault. The Airport, at its sole discretion, may require confirmation for liquidity during the course of the contract. The contractor shall respond within five (5) working days to such request.

#### **69. Worker Retention Policy**

Contractor shall comply with the Airport's Worker Retention Policy, which states:

##### Retention of Employees of Covered Employers when a Successor Contract is Awarded

This Worker Retention Policy shall apply to Airport contractors who employ workers who perform essential services at the Airport on a regular, ongoing and continual basis for the benefit of the travelling public and for the increased efficiency of Airport operations; such services include but are not limited to services for parking garage and curbside management operations, the information booths, in-terminal food and beverage concessions, the SFO Medical Clinic, intra-Airport transportation services, and/or services by third party service providers subject to the Airport's Quality Standards Program, but not including airlines. The Airport Director shall have the authority to determine the Service Provider contracts that provide such essential services. Upon termination or end of a Service Provider contract, any person continuously employed as a service employee of the contractor or subcontractor for six months or more for 16 or more hours per week and whose primary place of employment is at the San Francisco international Airport shall be retained in his/her employment at the Airport by the successor contractor or subcontractor for a 90-day trial employment period.

The term "employee" does not include a person who (1) is a managerial, supervisory or confidential employee, including those who would be so defined under the Fair Labor Standards Act; or (2) does not meet any applicable quality standards specified in the Quality Standards Program; or (3) is employed less than sixteen hours per week.

A "successor service contract" means a service contract where the services to be performed have previously been rendered under another substantially similar services contract that recently has been terminated or has ended.

##### Required Employee Information

Where a service contract subject to this regulation has been terminated or ended, or where a service contractor has given notice of such termination, the service contractor shall, within ten (10) days of giving or receiving such notice, provide to the successor contractor and to the Airport Employment Information Center, the name, date of hire, and employment occupation classification of each such

employee employed at the Airport covered by the prospective contractor at the time of contract termination. This requirement shall also apply to the subcontractors of the terminated contractor.

If the terminated contractor has not learned the identity of the successor contractor, if any, by the time that notice was given of the contract termination, the terminated contractor shall obtain such information from the Airport. If a successor service contract has not been awarded by the end of the ten (10) day period, the employment information referred to earlier shall be provided to the Airport at such time.

Successor Contractor's Obligation to Retain the Employees of the Contractor Whose Services Contract has been Terminated or has Ended

A successor contractor shall retain, for a 90-day trial employment period, the employees of the predecessor contractor, as defined above.

During such trial period, a successor contractor or subcontractor, where applicable, shall evaluate each employee retained pursuant to this policy. If the employee's performance during such period is satisfactory, the successor contractor or subcontractor shall offer the employee continued employment under the terms and conditions established by the successor contractor or subcontractor or as required by the Airport's Quality Standards Program. If the employee's performance is determined to be unsatisfactory, in the opinion of the successor contractor or subcontractor, such employee may be released from employment and shall be referred to the Airport Employment Center.

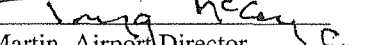
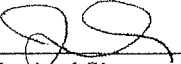
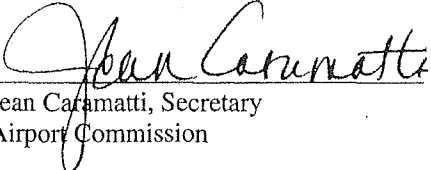
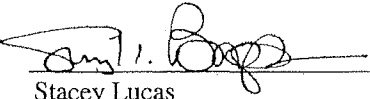
If at any time a successor contractor determines that fewer employees are required to perform the new service contract than were required by the former contractor and/or subcontractor, if any, the successor contractor shall retain the predecessor contractor's employees by seniority within job classification. During the trial employment period, the successor contractor shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor or subcontractor from which the successor contractor or subcontractor shall hire additional employees.

Notwithstanding the requirements referred to herein, a successor contractor or subcontractor may otherwise replace an employee required to be retained pursuant to this policy with a person already actually employed by the successor contractor or subcontractor continuously for six months prior to the commencement of the successor service contract or subcontract in a capacity similar to that proposed under the successor service contract or subcontract if the successor contractor's or subcontractor's employee would otherwise be laid off work as a result of the award of the successor contract.

All contracts subject to this policy shall include a provision in which the contractor agrees to require subcontractors to comply with the obligations imposed by the worker retention program.

All disputes over interpretation or application of the worker retention regulations set forth herein shall be submitted to expedited binding arbitration in accordance with the American Arbitration Association Labor Arbitration Rules including its Expedited Labor Arbitration procedures. Costs incurred in connection with any such arbitration shall be borne equally by the contractor/subcontractor and affected employee(s) and/or the pertinent labor organization, if any.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.
By: <u></u> John L. Martin, Airport Director	I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.
Attest:	<u></u> Authorized Signature
By <u></u> Jean Caramatti, Secretary Airport Commission	<u>JEFFREY G. LEONOUidakis</u> Printed Name
Resolution No: <u>12-0220</u>	<u>President</u> Title
Adopted on: <u>October 9, 2012</u>	<u>SFO Shuttle Bus Company</u> Company Name
Approved as to Form:  Dennis J. Herrera City Attorney	<u>16857</u> City Vendor Number
By <u></u> Stacey Lucas Deputy City Attorney	<u>325 Fifth Street</u> Address
	<u>San Francisco, CA 94107</u> City, State, ZIP
	<u>650-877-0430</u> Telephone Number
	<u>680494097</u> Federal Employer ID Number

**Appendices:**

- A: Services to be provided by Contractor
- B: Calculation of Charges
- C: Shuttle Bus Operation and Bus Route Maps

**Appendix A**  
**Services to be provided by Contractor**

**I. Description of Services**

The following are work tasks assumed necessary to provide shuttle bus services at San Francisco International Airport (the Airport). The Contractor will manage and operate the Airport's shuttle bus service and provide all supplies, equipment, operating personnel, maintenance and repair, and all other labor and materials necessary or required for continued performance of the specified service. The Contractor will furnish drivers, supervisors, mechanics, dispatchers, and such other employees as may be necessary for the efficient operation of all of Contractor's activities hereunder, and all such employees shall possess all valid permits, licenses, approvals and certificates required by applicable law of the state or other governmental body having jurisdiction. A complete description of the Airport's routes and hours of operation are provided in Appendix C.

The fleet of shuttle buses subject to this Agreement shall be owned by the City. The Contractor shall be responsible for all fleet cleaning and maintenance as described in Paragraph E, below.

The Contractor will obtain CNG fuel for the shuttle fleet at a reduced cost at the Airport's CNG fueling facilities, except in an emergency, when an alternate CNG fuel station may be used. The Contractor will be required to enter into a contract with one of the two on-airport CNG fuel providers.

The Contractor will obtain all insurance, permits, franchises, approvals, licenses, certificates and other authorizations necessary to conduct and operate the Airport's Shuttle Bus service. All such authorizations will be obtained and furnished by Contractor or said employees at its or their sole cost and expense. Contractor must register all drivers in the California Department of Motor Vehicles' EPN (Employers Pull Notice) Program.

**A. Personnel**

All employees of the Contractor shall be required to complete the badging process at the Airport. The requirements and procedures for obtaining an Airport badge can be found at the following web address: <https://sfoconnect.com/operations-security/airport-id-badges/obtaining-badge>. The Contractor expressly agrees that the City bears no burden, obligation or duty to any party except as provided under this Agreement, and the Contractor shall defend and indemnify the City against any such charges and/or claims of any kind.

To the extent the Contractor elects to employ drivers, managers, supervisors, and/or mechanics who are members of a labor union, it shall be the successful Proposer's sole responsibility to meet any and all of its obligations under any collective bargaining agreement with a union representing these personnel.

The Contractor shall provide Airport-approved uniforms for all drivers, shift supervisors, and mechanics, ensure employees receive the correctly sized uniforms, keep uniform pieces in good repair, and replace uniforms when required.

**1. Drivers**

The Contractor shall employ a team of experienced drivers and each such driver shall possess all of the certificates, licenses and training required by all local, state and federal laws and regulations required to operate a shuttle bus.

Drivers will be expected to assist elderly and disabled passengers, provide directions and other Airport information, and maintain a courteous, helpful, and professional demeanor at all times.

## **2. Bus Service Manager, Assistant Bus Service Manager, and Shift Supervisors**

The Contractor will designate a full-time Bus Service Manager and Assistant Bus Service Manager to oversee the operation of the shuttle service. The Bus Service Manager will be responsible both for operational and financial management of the service. The Bus Service Manager will report all operational and maintenance problems to designated Airport staff, including schedule adherence, accidents, passenger complaints, results of California Highway Patrol (CHP) inspections, ridership statistics and other statistical data as required by the Airport Director (Director). The Assistant Bus Service Manager is responsible for assisting the Bus Service Manager with the operation of the shuttle service, and assumes the responsibilities of the Bus Service Manager in his/her absence.

The Bus Service Manager and Assistant Bus Service Manager must be on duty at the Airport forty (40) hours per week, administering the shuttle bus system full-time and coordinating operations with Airport staff. The Assistant Bus Service Manager must work a different schedule than the Bus Service Manager to ensure greater supervisory coverage throughout the week, including weekends.

The Contractor must maintain at least one dispatcher/supervisor on duty at the Airport at all times, 24 hours per day, seven days per week, 365 days per year ("24/7/365"). While on duty, dispatchers will devote full and exclusive time to expediting the shuttle bus operations as described in this Scope. The Contractor will keep designated Airport staff informed in writing of the identity and telephone number of the Bus Service Manager, Assistant Bus Service Manager, and of all Dispatchers/Shift Supervisors who can be contacted twenty-four hours per day, and who are authorized to represent and act for the company in matters pertaining to the shuttle bus operation. Any problems pertaining to Contractor's operation will be corrected to the satisfaction of Airport Director immediately upon written notice from the Airport Director or his designee.

## **3. Mechanics**

The Contractor shall have an experienced maintenance staff on-site and in sufficient quantity to service the Airport's shuttle bus fleet while maintaining continuous shuttle service, 24/7/365. Maintenance staff must possess all certificates, licenses and training required by all local, state and federal laws and regulations regarding driving, maintenance and repair of buses. At a minimum, the maintenance staff shall be fully capable of performing the following duties:

- maintenance, repair, and overhaul of a variety of mechanical equipment;
- engine maintenance, removal, repair, overhaul, installation, and tuning;
- vehicle fuel systems maintenance, repair, overhaul, adjustment, installation, and calibration;
- maintenance and installation of lighting circuits and auxiliary actuating circuits;
- maintenance, repair, overhaul, and adjustment of vehicle brake systems, vehicle cooling systems, vehicle chassis, wheel, and suspension systems;
- safe and effective operation of shop equipment and machine tools;
- ability to troubleshoot equipment problems;
- ability to make service calls and various locations served by the Airport's shuttle service;
- ability to complete forms and keep records of work performed, and time and materials used;
- and
- ability to perform related duties and responsibilities as assigned.

## **B. Required Level of Service**

### **1. Airport Rules and Regulations**

The Contractor shall comply with all applicable Airport Rules and Regulations.

### **2. Customer Service**

The Contractor shall provide courteous drivers who communicate effectively with passengers, competently answer questions about the Airport's Shuttle Bus service and its stop locations, and drive the assigned route safely and on schedule. From time to time, designated Airport staff may request that the Contractor prepare and post simple notices or schedules in vehicles and assist in collection and distribution of surveys and other pertinent data.

### **3. Training and Certification Verification**

In order to meet customer service expectations, the Contractor shall train all employees. At a minimum, employee training shall include all of the following topics:

- emergency preparedness and evacuation procedures
- sensitivity training in assisting elderly and disabled passengers
- regular tailgate meetings on safety
- re-training program for drivers who experience a preventable accident

In addition, the Contractor shall provide a written description of how it will verify that each of its employees is qualified to perform the duties described in this Scope of Work. The description shall include a plan for verifying that employees maintain current licenses and certificates and a plan for how the Contractor will maintain the services set forth in this Scope of Work in the event that its employee(s) fail to maintain current licenses and certificates.

## **C. Reporting Requirements**

The Contractor shall provide daily reports to the Airport with comprehensive reporting on the number of passengers carried hourly. In addition, the Contractor shall provide accident reports, incident reports, and other special reports in a format specified by designated Airport staff including, but not limited to:

1. Trip Reports (daily);
2. Road Service Call Reports (as needed);
3. Accident Notification (as needed);
4. Vehicle Maintenance Records (when requested);
5. Investigation of Driver Conduct (when requested);
6. Passenger Complaints/Comments (as needed);
7. Operations Reports (daily);
8. On-Board/Special Surveys (as needed); and
9. Other Reports as specified by the Director (as needed)

## **D. Inspection**

The Contractor shall maintain a satisfactory CHP inspection record throughout the period of the contract. The Contractor shall notify designated Airport staff of the results of all CHP primary and follow-up inspections and regulatory actions and explain how it intends to correct identified deficiencies.

The Contractor will also be required to maintain Airport operating permits for the Airport's shuttle bus fleet. The Airport's Ground Transportation Unit (GTU) will conduct yearly inspections of the shuttle bus fleet for permitting. The Contractor will be responsible for ensuring the fleet passes inspection. In the event a bus does not pass inspection, the Contractor will be responsible for correcting the deficiency in a reasonable timeframe and returning the bus to the GTU for re-inspection and permitting.

The Contractor shall provide designated Airport staff with such access to its facilities as necessary to examine, audit, and inspect all work activities related to this contract.

Any vehicle failing to meet the Airport maintenance standards, as determined by designated Airport staff, shall not be operated and shall be immediately replaced with a vehicle that does meet Airport maintenance standards.

#### **E. Fleet Maintenance**

The following minimum maintenance standards must be observed by the successful Proposer:

1. Maintain all vehicles used for the shuttle bus service in good mechanical condition and keep clean inside and out at all times;
2. Submit an annual bus preventative maintenance plan.
3. Perform daily inspections of all buses to ensure fuels, fluids, and vital equipment meet safety and operational standards and document same;
4. Employ preventive maintenance principles as defined in the Original Equipment Manufacturer (OEM) maintenance schedule;
5. Repair minor or slight body damage, such as small dents, cracked glass, etc., and interior damage such as torn seats within thirty (30) days of discovery; and
6. Operate no vehicle with moderate or major body damage until such damage is repaired. A vehicle's transponder and decal may be removed by sworn personnel of the San Francisco Police Department's Airport Bureau where moderate or major body damage has been sustained as defined below:
  - i. "Moderate" damage is defined as more than slight damage to one-fourth or less of the vehicle, such as an entire fender, grill, quarter panel, door, hood, rear deck, etc.; and
  - ii. "Major" damage is defined as damage to more than one-fourth of the vehicle; such as entire rear end, etc.

Any required maintenance that exceeds \$2,000 must be approved by the Airport's Auto Shop manager, or his designee, prior to parts being ordered or work performed.

#### **F. Operations Office and Maintenance Facility**

The Contractor shall use the Airport's bus maintenance facility as its base of on-site operations. The bus maintenance facility is equipped with a bus fleet storage area, maintenance bays, parts storage area, equipment room, fluids storage room, office area, conference room, rest rooms, compressor, and mechanical equipment room.

The Contractor shall be responsible for providing all tools and equipment necessary to perform bus maintenance and repairs. The costs for tools and equipment are the sole responsibility of the Contractor and are not eligible for reimbursement by the Airport.



The shuttle bus service will be monitored by the Airport's Automatic Vehicle Identification (AVI) System (or similar system) during the term of the contract. The AVI system will monitor the successful Proposer's performance under the terms of the contract

Airport staff assigned to the Airport's Auto Shop will conduct periodic spot audits and document review for purposes of confirming that the Contractor remains in compliance with the maintenance and repair terms of the contract. Within 60 day of Notice to Proceed, the Contractor will either provide Airport staff access to the Contractor's vehicle maintenance program, VMCS 2000, or request access to the Airport's vehicle maintenance program, ExtraFleet, for monitoring and oversight.

#### **G. Transition Plan**

The Airport will remove all Airport-owned maintenance equipment from the bus maintenance within 60 days of Notice to Proceed for this Agreement. The Contractor shall have in place any and all equipment needed to meet the terms of this Agreement by the time the Airport-owned equipment is removed.

#### **2. Department Liaison**

In performing the services provided for in this Agreement, Contractor's liaison with the Airport will be Michael Lawrance, Landside Operations.

**Appendix B  
Calculation of Charges**

Compensation under this Contract shall consist of two categories: (A) Reimbursable Costs and (B) Fee Amount.

**A. Reimbursable Costs**

The Contractor acknowledges and agrees that as the employer, it alone shall be solely responsible for fulfilling its obligations to its employees under the law and under any collective bargaining agreement(s), if applicable.

The Airport shall reimburse only actual costs supported by documentation acceptable to the Airport. There shall be no mark-up on Reimbursable Costs.

**1. Direct Labor Costs**

Direct Labor Costs include (a) hourly wage rate plus (b) cost of fringe benefits.

**a. Hourly Wage Rates:**

The Contractor shall submit payroll records supported by timecards or other verifiable documentation to support any application for reimbursement of Direct Labor Costs. The City shall reimburse actual hourly wages not to exceed the amounts set forth below:

i. Shuttle bus drivers	Not to exceed \$24.19/hr
ii. Bus mechanics (journeymen)	Not to exceed \$34.65/hr
iii. Bus mechanics (foreman)	Not to exceed \$38.12/hr
iv. Supervisor	Not to exceed \$25.79/hr

The City shall not reimburse any increase in salary for the entire initial term of this Contract if such increase would result in an hourly rate exceeding the corresponding amount set forth above.

In the event the City grants an extension of the Contract term, and for the extended term only, the City may agree, in its sole discretion, to adjust the reimbursable hourly rates costs set forth above. The City will make no adjustment unless the Contractor can document the increased actual Direct Labor Costs. The amount of the reimbursable increase shall not exceed fifty percent (50%) of the actual increase, and Contractor shall bear the cost of the remaining fifty percent (50%) of any increase.

**b. Fringe Benefits**

The City shall reimburse Contractor for the actual, documented cost of fringe benefits incurred by the Contractor at the rate established at the time of contract award for the first twelve (12) months of the Agreement. This shall be the "first year baseline." In the event the actual cost of fringe benefits in subsequent contract years exceeds the first year baseline, the cost of the increase shall be borne equally by the Contractor and the City. For example, if the cost of first year baseline fringe benefits increases by four percent (4%) in year two of the Agreement, the City shall reimburse Contractor the baseline amount, plus two percent (2%). Similarly, if the third year of the Agreement the Contractor's actual cost of fringe

benefits is one percent (1%) greater than the first year baseline, the City shall reimburse Contractor the first year baseline amount, plus one-half of one percent (.5%) of the first year baseline.

**2. Indirect Labor Costs**

The Contractor shall be entitled to reimbursement of actual, documented, and eligible Indirect Labor Costs. Documentation shall include original invoices and/or other documentation acceptable to the City. The following Indirect Labor Costs are not reimbursable:

- Employee recruitment
- Initial background investigations for employee security access badging
- Additional, subsequent background investigations
- Airport Security Access Office badge
- Replacement of lost or stolen Airport Security Access Office badge
- Employee name badges
- Replacement of lost or stolen employee name badges
- Uniform purchase and dry cleaning for drivers, mechanics and supervisors; cost of hemming uniform pants and shirts.

**3. Other Direct Costs**

The following other direct costs shall be reimbursable when accompanied by appropriate documentation.

<b>INTERNET AND TELEPHONE</b>			
Note: Neither the Contractor nor any of its employees shall have an expectation of privacy on any landlines, cell phones, emails, or text message system paid for by the City			
<b>Cost Item</b>	<b>Yes</b>	<b>No</b>	<b>Comment</b>
Up to five (5) land line telephones with voicemail		✓	Airport to provide
Local calls from landlines	✓		
Long distance calls from landlines	✓		Reimbursable, provided Contractor maintains a log with all long distance calls, including date, time, name of caller, name of person called, and reason for call.
Cellular bills for modems installed in shuttle buses and bus stops.	✓		
Cell phones (excluding smart phones)	✓		Prior written approval required. Reasonable number of phones.
Replacement of lost or damaged cell phones		✓	

Cell phone bills	✓		
Text messaging services		✓	
Wireless internet service		✓	
Postage emanating from successful proposer's Airport offices and relating solely to the Airport's shuttle bus service	✓		
Postage not emanating from successful proposer's Airport		✓	
Express next-day or two-day shipments of Airport-authorized purchase of material, equipment or supplies	✓		Prior written approval required.
Letterhead and business cards		✓	
<b>OFFICE EQUIPMENT</b>			
Computers, printers and monitors for administrative office functions		✓	Airport will supply – will not reimburse
Basic software (word processing, spread sheet, anti-virus, internet browser)		✓	Airport will supply – will not reimburse
Other software		✓	Unless pre-approved by Airport
Computer consumables (ink cartridges, toner, paper)	✓		Advance written approval required
Use of photocopier		✓	Airport will supply – will not reimburse
Office furniture (desks, file cabinets, chair)		✓	Airport will supply – will not reimburse

INSURANCE, PARTS, EQUIPMENT, FUEL			
Equipment necessary for the repair and maintenance of buses		✓	
Parts necessary for the repair and maintenance of buses	✓		All parts shall be monitored in an inventory control system accessible to the City.
Fuel	✓		
Insurance Premiums	✓		

**B. Fee Amount**

The amount set forth below shall constitute full compensation to the Contractor for any and all management fees, profit, overhead and nonreimbursable costs (direct or indirect), associated with the performance of services under this Contract. An itemized list of reimbursable and non-reimbursable costs is provided in Paragraph A above.

The Management Fee shall include all costs associated with all principals, managers and assistant managers. The Management fee shall not change for the entire initial contract term of 43 months. The Contractor shall invoice the City for payment of the Management Fee on a regular monthly basis.

For any extended term of the Contract, the Contractor shall be entitled to a monthly Management Fee amount not to exceed the original regular monthly payment amount, unless approved as a contract modification by the Airport Commission.

$$\begin{array}{rcl}
 \underline{\$98,344.28} & \times \text{ 43 MONTHS} = & \underline{\$4,228,804.04} \\
 \text{Monthly Management Fee Amount} & & \text{Total Management Fee}
 \end{array}$$

## Appendix C Shuttle Bus Operation and Bus Route Maps

### A. Routes and Hours of Operation

The shuttle bus operation runs 24 hours a day, seven days a week, 365 days a year.

Schedules, routes, headways, and use of vehicular equipment will be established by the Airport Director and may be supplemented, altered, reduced, and revised from time to time by the Director. As Airport passenger demand changes, shuttle bus routes and schedules will be adjusted to maximize service to the public and efficiently use Airport resources.

The bus routes operating on December 1, 2012 are as follows:

Route 1: Express service for air passengers between the Airport terminals and public Long-term Parking lot DD and garage. This route is approximately 6.5 miles round-trip. This service runs in 5-minute intervals between the hours of 4:15 AM and 12:00 AM. Between the hours of 12:00 AM and 4:15 AM, the service runs on 15-minute intervals.

Route 2: Local service primarily for employees between the employee garage (located on Westfield Road) and the Airport terminals, with intermediate stops at Lot C and United Air Cargo along North McDonnell Road. This route is approximately 3.5 miles round-trip. This service runs at 10-minute intervals between the hours of 3:00 AM and 1:00 AM. Between the hours of 1:00 AM and 3:00 AM, the service runs on 15-minute intervals, on the quarter hour (i.e. 2:00, 2:15, 2:30, etc.)

Route 3: Express service for employees and seasonal air passengers between Parking lot D and the Airport terminals. This route is approximately 5.5 miles round-trip. This service runs at 5-minute intervals between the hours of 4:15 AM and 12:00 AM. Between the hours of 12:00 AM and 4:15 AM, the service runs on 15-minute intervals.

Route 4: Local service for employees between Employee Parking Plot 2 (located on the previous Hilton Hotel site) and the Airport terminals. This route is approximately 2.0 miles round-trip. This service runs at 10-minute intervals between the hours of 3:00 AM and 1:00 AM. Between the hours of 1:00 AM and 3:00 AM, the service runs on 15-minute intervals, on the quarter hour (i.e. 2:00, 2:15, 2:30, etc.)

Maps of these routes are attached and identified as follows:

Appendix C, Attachment 1:	Route 1;
Appendix C, Attachment 2:	Route 2;
Appendix C, Attachment 3:	Route 3; and
Appendix C, Attachment 4:	Route 4;





San Francisco International Airport

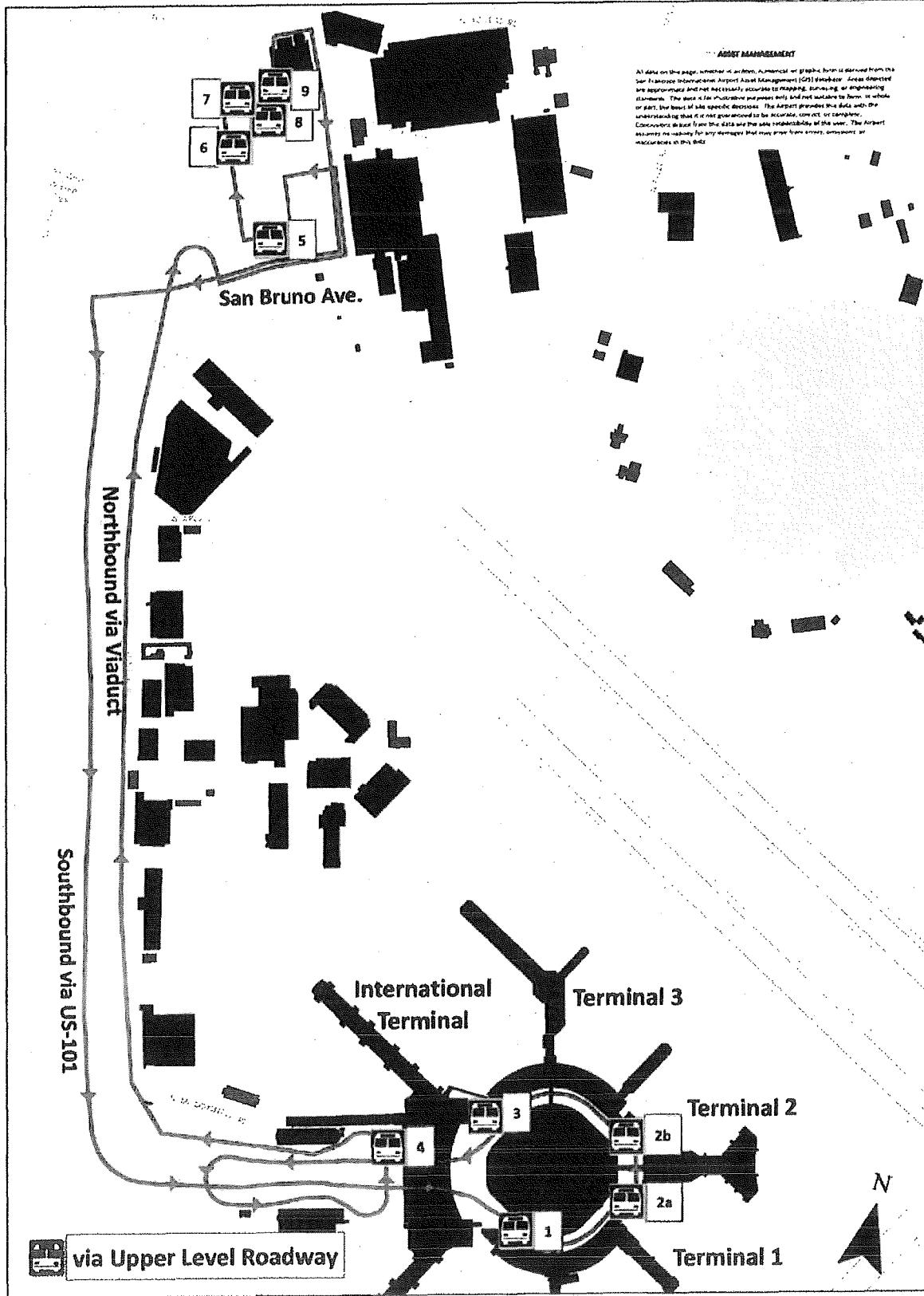
ROUTE 1

# Long Term Parking Shuttle Route

6.5 miles RT

## STOP LOCATIONS

- 1: Terminal 1 (Departures)
- 2a: Terminal 2 (Departures)
- 2b: Terminal 2 (Departures)
- 3: Terminal 3 (Departures)
- 4: Intern. Terminal G (Departures)
- 5-9: Long Term Parking







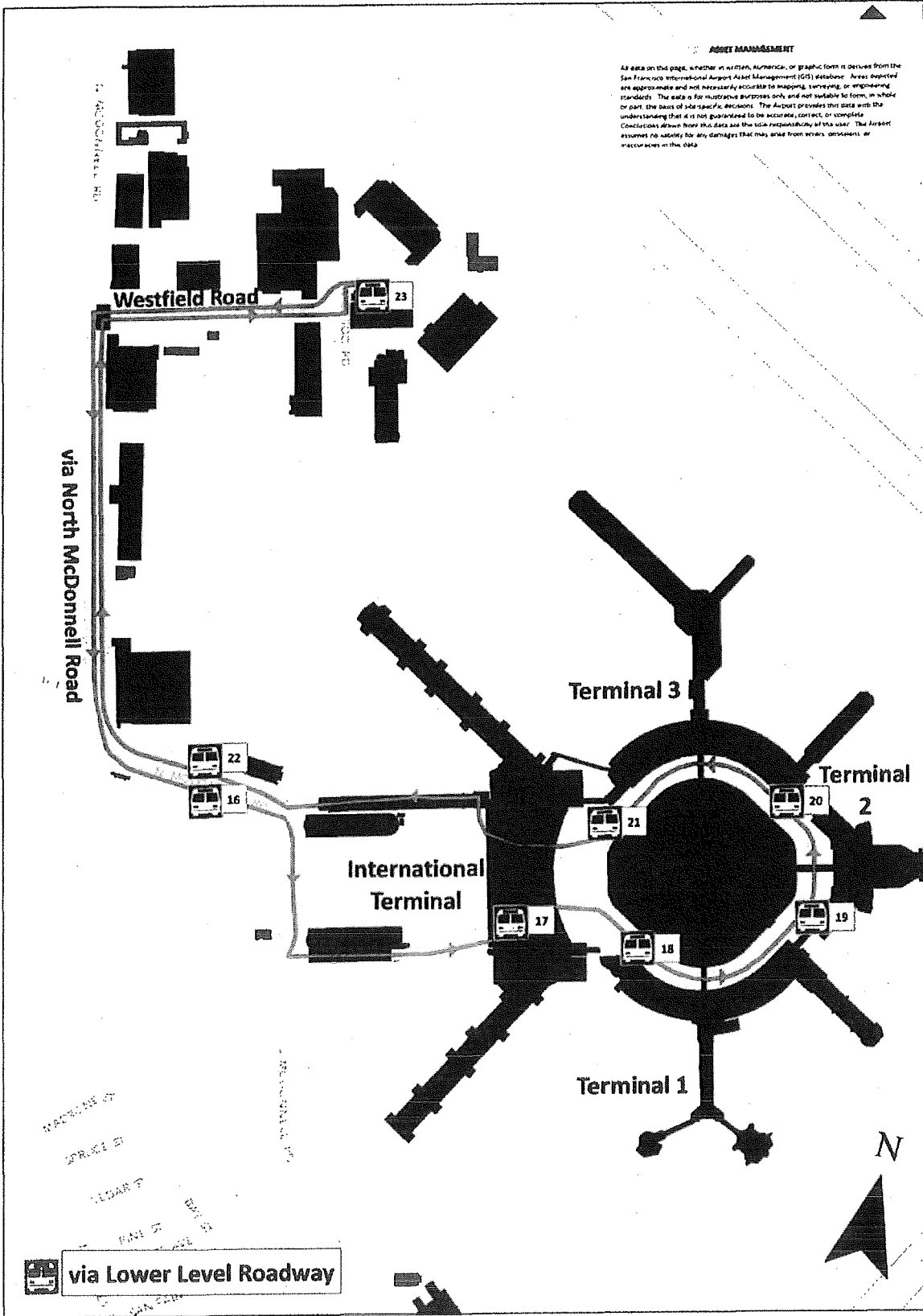
San Francisco International Airport

**ROUTE 2**  
**Westfield Garage Shuttle Route**

3.5 miles RT

**STOP LOCATIONS**

- 15: Parking Lot C
- 17: Intern. Terminal A (Courtyard)
- 18: Terminal 1 (Arrivals)
- 19: Terminal 2 (Arrivals)
- 20: Terminal 2 (Arrivals)
- 21: Terminal 3 (Arrivals)
- 22: 575 N. McDonnell Road
- 23: Westfield Garage





San Francisco International Airport

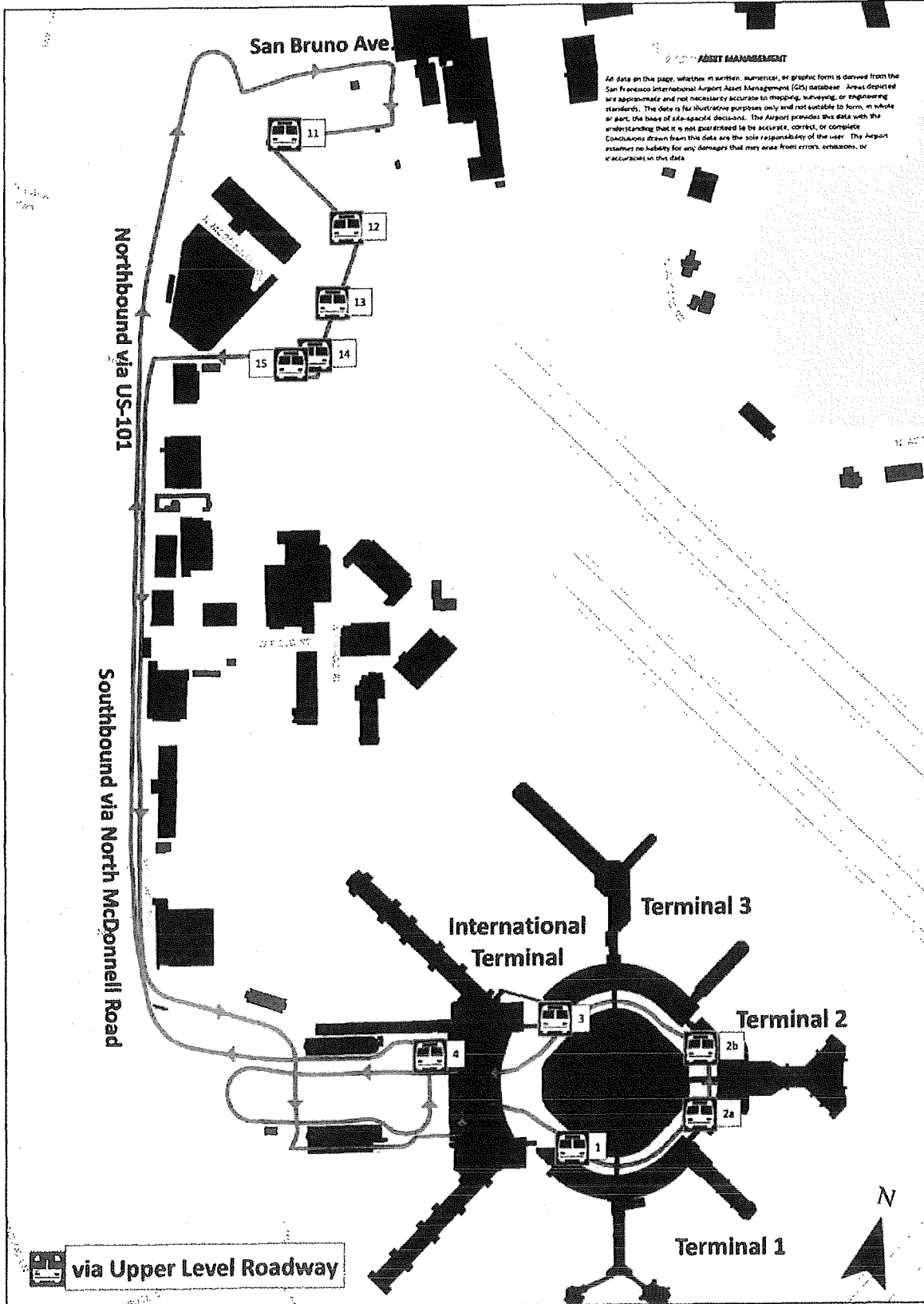
ROUTE 3

# Parking Lot D Shuttle Route

5.5 miles RT

## STOP LOCATIONS

- 1: Terminal 1 (Departures)
- 2a: Terminal 2 (Departures)
- 2b: Terminal 2 (Departures)
- 3: Terminal 3 (Departures)
- 4: Intern. Terminal G (Departures)
- 11-15: Lot D





San Francisco International Airport

Route 4

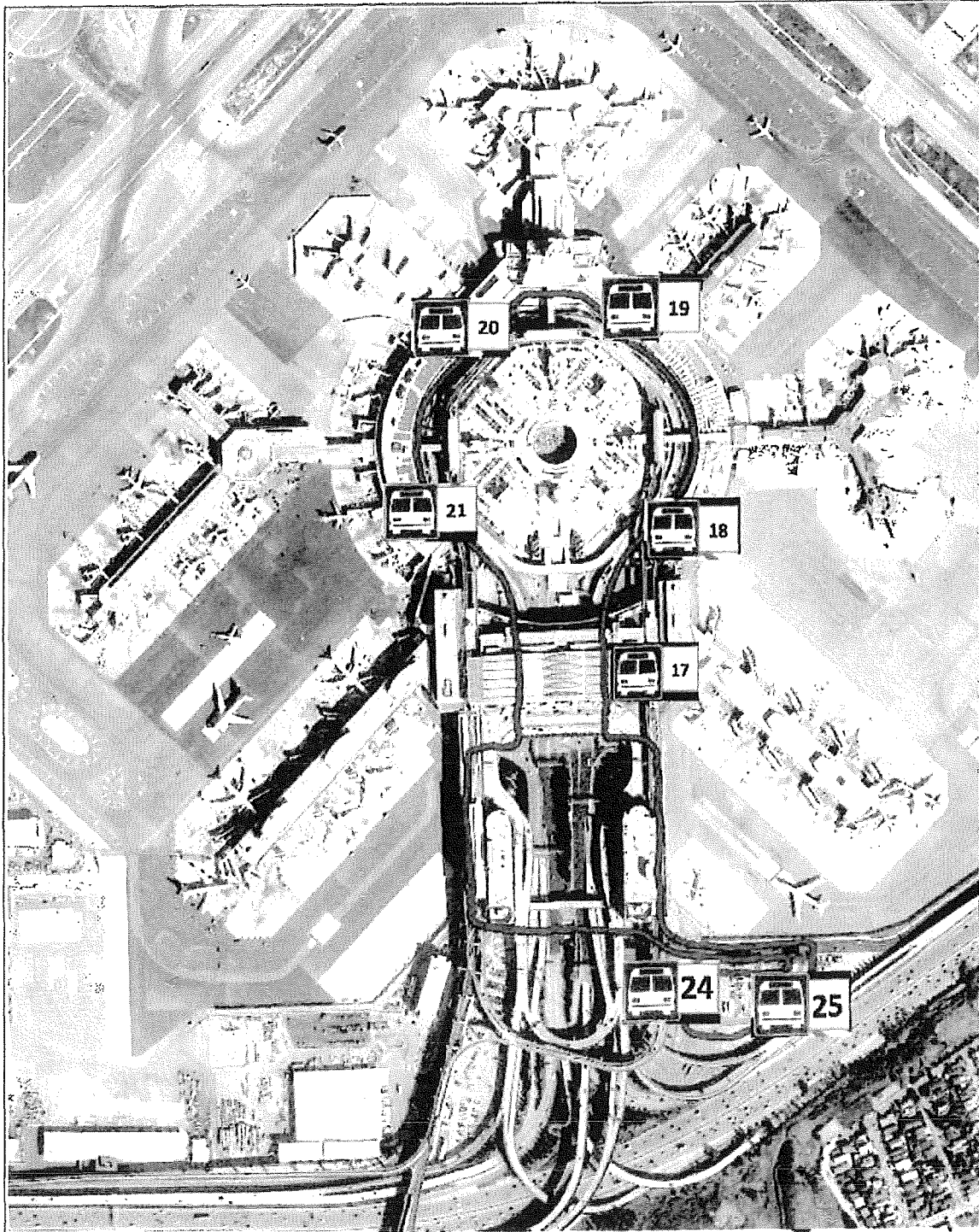
# Employee Parking Plot 2

## Shuttle Route

2.0 miles RT

### STOP LOCATIONS

- 17: Intern. Terminal A
- 18: Terminal 1 (Arrivals)
- 19: Terminal 2 (Arrivals)
- 20: Terminal 2 (Arrivals)
- 21: Terminal 3 (Arrivals)
- 24-25: Plot 2



via Lower Level Roadway



**Appendix D**  
**Secured Guarantee – Letter of Credit**



FAX NO: 310-297-2886  
SWIFT: MNBDUS6S

COMERICA BANK  
INT'L TRADE SERVICES  
2321 ROSECRANS AVE. 5TH FLOOR  
EL SEGUNDO, CA 90245

BENEFICIARY:  
AIRPORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO  
SAN FRANCISCO INTERNATIONAL AIRPORT  
INTERNATIONAL TERMINAL, NO. SHOULDER  
BLDG., 5/F, P.O. BOX 8097  
SAN FRANCISCO, CA 94128  
ATTN: AIRPORT DIRECTOR

DATE OF ISSUE: NOVEMBER 28, 2012

WE HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO.660126-42 IN YOUR FAVOR, FOR ACCOUNT OF SAN FRANCISCO PARKING, INC. DBA SFO SHUTTLE BUS COMPANY, 923 FOLSOM STREET, SUITE B, SAN FRANCISCO, CA 94107-1006 ("APPLICANT") IN THE AMOUNT OF FIVE HUNDRED THOUSAND AND 00/100 US DOLLARS (USD500,000.00) AVAILABLE BY PAYMENT OF YOUR DRAFT(S) AT SIGHT ON COMERICA BANK, WHEN ACCOMPANIED BY:

1. THE ORIGINAL LETTER OF CREDIT AND ANY AMENDMENTS THERETO.

AND

2. A DATED STATEMENT SIGNED BY THE AIRPORT DIRECTOR STATING THAT ANY OF THE FOLLOWING EVENTS HAS OCCURRED OR IS CONTINUING:

A. THE UNDERSIGNED HEREBY CERTIFIES SAN FRANCISCO PARKING, INC. DBA SFO SHUTTLE BUS COMPANY, ("ACCOUNT PARTY") HAS DEFAULTED UNDER ONE OR MORE AGREEMENTS UNDER CONTRACT NO.9254, WITH THE CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS AIRPORT COMMISSION AT SAN FRANCISCO INTERNATIONAL AIRPORT. APPLICANT HAS BEEN NOTIFIED OF SUCH DEFAULT, THEREFORE THE AMOUNT OF USD \_\_\_\_\_ IS NOW DEMANDED UNDER COMERICA BANK'S LETTER OF CREDIT NO.660126-42;

OR

B. THE UNDERSIGNED HEREBY CERTIFIES SAN FRANCISCO PARKING, INC. DBA SFO SHUTTLE BUS COMPANY, ("ACCOUNT PARTY") HAS BECOME INSOLVENT, OR HAS TAKEN THE BENEFIT OF ANY PRESENT OR FUTURE INSOLVENCY STATUTE, OR HAS MADE A GENERAL ASSIGNMENT FOR THE BENEFIT OF CREDITORS, OR HAS FILED A VOLUNTARY PETITION IN BANKRUPTCY, OR A PETITION OR AN ANSWER SEEKING AN ARRANGEMENT FOR ITS REORGANIZATION, OR THE READJUSTMENT OF ITS INDEBTEDNESS UNDER THE FEDERAL BANKRUPTCY LAWS, OR UNDER ANY OTHER LAW OR STATUTE OF THE UNITED STATES OR ANY STATE THEREOF, OR ANY JURISDICTION AVAILABLE TO THE ACCOUNT PARTY, OR HAS CONSENTED TO THE APPOINTMENT OF A RECEIVER, TRUSTEE, OR LIQUIDATOR OF ANY OR SUBSTANTIALLY OF ITS PROPERTY, THEREFORE THE AMOUNT OF USD \_\_\_\_\_ IS NOW DEMANDED UNDER COMERICA BANK'S LETTER OF CREDIT NO.660126-42;

OR

CONTINUED ON PAGE 2



FAX NO: 310-297-2886  
SWIFT: MNBDS65

COMERICA BANK  
INT'L TRADE SERVICES  
2321 ROSECRANS AVE. 5TH FLOOR  
EL SEGUNDO, CA 90245

PAGE 2 OF 3 OF LETTER OF CREDIT NO. 660126-42

C. THE UNDERSIGNED HEREBY CERTIFIES A PETITION UNDER ANY OF THE FEDERAL BANKRUPTCY LAWS OR AN ACTION UNDER ANY INSOLVENCY LAW OR STATUTE HAS BEEN FILED AGAINST SAN FRANCISCO PARKING, INC. DBA SFO SHUTTLE BUS COMPANY, (THE "ACCOUNT PARTY"), THEREFORE THE AMOUNT OF USD \_\_\_\_\_ IS NOW DEMANDED UNDER COMERICA BANK'S LETTER OF CREDIT NO.660126-42;

OR

D. THE UNDERSIGNED HEREBY CERTIFIES WE HAVE RECEIVED A WRITTEN NOTICE OF COMERICA BANK'S ELECTION NOT TO EXTEND THEIR STANDBY LETTER OF CREDIT NO. 660126-42 AND HAVE NOT RECEIVED A REPLACEMENT STANDBY LETTER OF CREDIT OR ANY OTHER FINANCIAL ASSURANCE SATISFACTORY TO US WITHIN AT LEAST THIRTY (30) DAYS PRIOR TO THE PRESENT EXPIRATION DATE FROM SAN FRANCISCO PARKING, INC. DBA SFO SHUTTLE BUS COMPANY, (THE "ACCOUNT PARTY"), THEREFORE THE AMOUNT OF USD \_\_\_\_\_ IS NOW DEMANDED UNDER COMERICA BANK'S LETTER OF CREDIT NO.660126-42;

OR

E. THE UNDERSIGNED HEREBY CERTIFIES BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF USD \_\_\_\_\_ UNDER COMERICA BANK'S STANDBY LETTER OF CREDIT NO. 660126-42 AS THE RESULT OF THE FILING OF A VOLUNTARY PETITION UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE BY SAN FRANCISCO PARKING, INC. DBA SFO SHUTTLE BUS COMPANY, WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING, THEREFORE THE AMOUNT OF USD \_\_\_\_\_ IS NOW DEMANDED UNDER COMERICA BANK'S LETTER OF CREDIT NO.660126-42;

OR

F. THE UNDERSIGNED HEREBY CERTIFIES BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF USD \_\_\_\_\_ UNDER COMERICA BANK'S STANDBY LETTER OF CREDIT NO.660126-42 AS THE RESULT OF THE FILING OF AN INVOLUNTARY PETITION HAVING BEEN FILED UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE AGAINST SAN FRANCISCO PARKING, INC. DBA SFO SHUTTLE BUS COMPANY, WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING, THEREFORE THE AMOUNT OF USD \_\_\_\_\_ IS NOW DEMANDED UNDER COMERICA BANK'S LETTER OF CREDIT NO. 660126-42.

PARTIAL DRAWINGS AND MULTIPLE PRESENTATIONS MAY BE MADE UNDER THIS STANDBY LETTER OF CREDIT, PROVIDED HOWEVER, THAT EACH SUCH DEMAND THAT IS PAID BY US SHALL REDUCE THE AMOUNT AVAILABLE UNDER THIS STANDBY LETTER OF CREDIT.

CONTINUED ON PAGE 3



FAX NO: 310-297-2886  
SWIFT: MNBDUS6S

COMERICA BANK  
INT'L TRADE SERVICES  
2321 ROSECRANS AVE. 5TH FLOOR  
EL SEGUNDO, CA 90245

PAGE 3 OF 3 OF LETTER OF CREDIT NO. 660126-42

IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A PERIOD OF ONE YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THE EXPIRATION DATE WE SEND YOU NOTICE BY COURIER THAT WE ELECT NOT TO EXTENDED THIS CREDIT FOR ANY SUCH ADDITIONAL PERIOD. SAID NOTICE WILL BE SENT TO (1) THE AIRPORT DIRECTOR AT THE ADDRESS INDICATED ABOVE, UNLESS A CHANGE OF ADDRESS IS OTHERWISE NOTIFIED BY YOU TO US IN WRITING BY RECEIPTED MAIL OR COURIER; AND WITH A COPY SENT IN THE SAME MANNER FOR THEIR INFORMATION ONLY TO THE LANDSIDE OPERATIONS MANAGER, TERMINAL ONE, MEZZANINE LEVEL, SAN FRANCISCO INTERNATIONAL AIRPORT, SAN FRANCISCO, CA 94128, UNLESS A CHANGE OF ADDRESS IS OTHERWISE NOTIFIED BY YOU TO US IN WRITING BY RECEIPTED MAIL OR COURIER. ANY NOTICE TO US WILL BE DEEMED EFFECTIVE ONLY UPON ACTUAL RECEIPT BY US AT OUR DESIGNATED OFFICE.

ALL DRAFTS DRAWN UNDER THIS CREDIT MUST BE MARKED "DRAWN UNDER COMERICA BANK'S STANDBY LETTER OF CREDIT NO.660126-42."

WE HEREBY ENGAGE WITH YOU THAT ALL DOCUMENT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS STANDBY LETTER OF CREDIT WILL BE DULY HONORED IF DRAWN AND PRESENTED FOR PAYMENT AT OUR OFFICE LOCATED AT COMERICA BANK, INTERNATIONAL TRADE SERVICES, 2321 ROSECRANS AVE., 5TH FLOOR, EL SEGUNDO, CA 90245, ATTN: TEAM 40 ON OR BEFORE THE INITIAL EXPIRATION DATE OF THIS LETTER OF CREDIT JUNE 30, 2013, OR DURING ANY AUTOMATICALLY EXTENDED EXPIRATION DATE AS DESCRIBED HEREIN.

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS STANDBY LETTER OF CREDIT IS SUBJECT TO THE "INTERNATIONAL STANDBY PRACTICES" (ISP 98) INTERNATIONAL CHAMBER OF COMMERCE (PUBLICATION NO. 590) AND THE LAWS OF THE STATE OF CALIFORNIA. IN THE EVENT OF ANY CONFLICT, THE LAWS OF THE STATE OF CALIFORNIA WILL CONTROL.

VERY TRULY YOURS

AUTHORIZED SIGNATURE

**City and County of San Francisco  
Airport Commission  
P.O. Box 8097  
San Francisco, California 94128**

**Assignment and Assumption and First Modification**

THIS ASSIGNMENT (this "Assignment") and MODIFICATION (this "Modification") is made as of May 15, 2015, in San Francisco, California, by and between **SFO Shuttle Bus Company** ("Assignor") and **SFO Hotel Shuttle, Inc.** ("Assignee"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission ("**Commission**").

RECITALS

WHEREAS, on October 9, 2012, by Resolution Number 12-0220, the Commission awarded Contract No. 9254 to SFO Shuttle Bus Company for the period of December 1, 2012 through June 30, 2016; and

WHEREAS, on November 20, 2012, by Resolution No. 421-12, the Board of Supervisors approved Contract No. 9254 under San Francisco Charter Section 9.118; and

WHEREAS, On June 7, 2011, by resolution No. 234-11, the Board of Supervisors approved the contracting out of the services, concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, Commission is authorized to enter into all contracts which relate to matters under its jurisdiction; and

WHEREAS, SFO Shuttle Bus Company's corporate parent, San Francisco Parking, Inc., has reorganized its structure and desires to assign Contract No.9254 originally dated October 9, 2012 to SFO Hotel Shuttle, Inc.; and SFO Shuttle Bus Company, SFO Hotel Shuttle, Inc. and the City mutually desire to assign SFO Hotel Shuttle, Inc. all of the duties, rights, responsibilities and benefits arising out of Contract No. 9254 as if SFO Hotel Shuttle, Inc. were the original contractor; and

WHEREAS, City and Contractor desire to modify Contract No. 9254 on the terms and conditions set forth in this Modification to Contract No. 9254 to include the cost of bus cleaning as a reimbursable expense, amend the name of Contractor, and update the administrative changes required by recently enacted San Francisco contracting ordinances; and

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained in this Assignment, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Assignor and Assignee agree as follows:

**1. Section 4. Services Contractor Agrees to Perform** is amended to reimburse Contractor for bus cleaning services in the amount of \$10,800 per month and reimburse Contractor the amount of \$324,000 for invoices during the period of December 2012 and April 2015. Assignor, Assignee and the City understand and agree that the services for bus cleaning shall not increase the total compensation set forth in the Agreement.



2. **Section 25. Notices to the Parties** is hereby replaced in its entirety to read as follows:

**25. Notices to the Parties.** All notices, consents, directions, approvals, instructions, requests and other communications regarding this Assignment or the Agreement shall be in writing, shall be addressed to the person and address set forth below and shall be (a) deposited in the U.S. mail, first class, certified with return receipt requested and with appropriate postage, (b) hand delivered or (c) sent via facsimile (if a facsimile number is provided below). All communications sent in accordance with this Section shall become effective on the date of receipt. From time to time Assignor, Assignee or City may designate a new address for purposes of this Section by notice to the other signatories to this Assignment.

If to Assignor: Jeff Leonoudakis  
President  
SFO Shuttle Bus Company  
325 Fifth St.  
San Francisco, CA 94107  
[Jeff.Leonoudakis@SFOShuttle.net](mailto:Jeff.Leonoudakis@SFOShuttle.net)

If to Assignee: Jeff Leonoudakis  
President  
SFO Hotel Shuttle, Inc.  
54 Tanforan Avenue  
South San Francisco, CA 94080  
[Jeff.Leonoudakis@SFOShuttle.net](mailto:Jeff.Leonoudakis@SFOShuttle.net)

If to City: Daniel Pino  
Senior Transportation Planner  
San Francisco International Airport  
P.O. Box 8097  
San Francisco, CA 94128  
[Daniel.Pino@flysfo.com](mailto:Daniel.Pino@flysfo.com)

3. **New Section 32. Earned Income Credit (EIC) Forms** is hereby replaced in its entirety with a **New Section 32. Consideration of Criminal History in Hiring and Employment Decisions** to read as follows:

**32. Consideration of Criminal History in Hiring and Employment Decisions.**

a. Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12T "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Administrative Code (Chapter 12T), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of Contract No. 9254 as though fully set forth herein. The text of the Chapter 12T is available on the web at [www.sfgov.org/olse/fco](http://www.sfgov.org/olse/fco). A partial listing of some of Contractor's obligations under Chapter 12T is set forth in this Section. Contractor is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in Contract No. 9254 shall have the meanings assigned to such terms in Chapter 12T.

b. The requirements of Chapter 12T shall only apply to the Contractor's or Subcontractor's operations to the extent those operations are in furtherance of the performance of Contract No.

9254, and shall apply only to applicants and employees who would be or are performing work in furtherance of Contract No. 9254, whose employment is or would be in whole or in substantial part physically located in the City and County of San Francisco, which excludes Airport property.

1) Applicants or employees who would be or are performing work in furtherance of Contract No. 9254 may be required to be screened by the U.S. Department of Homeland Security for security badging. A rejection by the U.S. Department of Homeland Security of an applicant's or employee's security badging application, and the resulting inability of the Contractor to hire the applicant or assign the employee to perform services under Contract No. 9254, shall not be considered an Adverse Action under Chapter 12T.

c. Contractor shall incorporate by reference in all subcontracts the provisions of Chapter 12T, and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of Contract No. 9254.

d. Contractor or Subcontractor shall not inquire about, require disclosure of, or if such information is received, base an Adverse Action on an applicant's or potential applicant for employment or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

e. Contractor or Subcontractor shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection 32.4, above. Contractor or Subcontractor shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

f. Contractor or Subcontractor shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment to be performed under Contract No. 9254, that the Contractor or Subcontractor will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

g. Contractor and Subcontractors shall post the notice prepared by the Office of Labor Standards Enforcement (OLSE), available on OLSE's website, in a conspicuous place at every workplace, job site, or other location under the Contractor or Subcontractor's control at which work is being done or will be done in furtherance of the performance of Contract No. 9254. The notice shall be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the workplace, job site, or other location at which it is posted.

h. Contractor understands and agrees that if it fails to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T, including but not limited to, a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of Contract No. 9254.

4. **Section 64. Labor Peace / Card Check Rule** is hereby replaced in its entirety to read as follows:

**64. Labor Peace / Card Check Rule.** Without limiting the generality of other provisions herein requiring Contractor to comply with all Airport Rules, Contractor shall comply with the Airport's Labor Peace / Card Check Rule, adopted on February 1, 2000, pursuant to Airport Commission Resolution No. 00-0049 (the "Labor Peace / Card Check Rule"). Capitalized terms not defined in this provision are defined in the Labor Peace/Card Check Rule. To comply with the Labor Peace/Card Check Rule, Contractor shall, among other actions: (a) Enter into a Labor Peace/Card Check Rule Agreement with any Labor Organization which requests such an agreement and which has registered with the Airport Director or his / her designee, within thirty (30) days after Labor Peace/Card Check Rule Agreement has been requested; (b) Not less than thirty (30) days prior to the modification of Contract No. 9254, Contractor shall provide notice by mail to any Labor Organization or federation of labor organizations which have registered with the Airport Director or his / her designee (registered labor organization"), that Contractor is seeking to modify or extend Contract No. 9254; (c) Upon issuing any request for proposals, invitations to bid, or similar notice, or in any event not less than thirty (30) days prior to entering into any Subcontract, Contractor shall provide notice to all registered Labor Organizations that Contractor is seeking to enter into such Subcontract; and (d) Contractor shall include in any subcontract with a Subcontractor performing services pursuant to any covered Contract, a provision requiring the Subcontractor performing services pursuant to any covered Contract, a provision requiring the Subcontractor to comply with the requirements of the Labor Peace/Card Check Rule. If Airport Director determines that Contractor violated the Labor Peace/Card Check Rule, Airport Director shall have the option to terminate Contract No. 9254, in addition to exercising all other remedies available to him / her.

5. **Section 70. Assignment** is hereby added to the Agreement to read as follows:

**70. Assignment.** Assignor hereby assigns, transfers and conveys to Assignee all of Assignor's right, title and interest in and to the Contract No. 9254 and all of Assignor's duties and obligations thereunder, to the extent arising on or after the Effective Date

6. **Section 71. Assumption** is hereby added to the Agreement to read as follows:

**71. Assumption.** Assignee hereby accepts the assignment transfer and conveyance set forth in Section 1 and agrees to perform all of Assignor's duties and obligations under Contract No. 9254, to the extent arising on or after the Effective Date.

7. **Section 72. Mutual Indemnities** is hereby added to the Agreement to read as follows:

**72. Mutual Indemnities**

**a. Assignor.** Assignor shall indemnify, defend and protect Assignee, and hold Assignee harmless from and against, any and all liabilities, losses, damages, claims, costs or expenses (including attorneys' fees) arising out of (a) any failure of Assignor to convey its interest pursuant to Section 70, free and clear of all third-party liens, claims or encumbrances or (b) any breach by Assignor of Contract No. 9254 or any other failure to perform or observe any of the duties or obligations of Assignor thereunder, to the extent such breach or failure arises prior to the Effective Date.

**b. Assignee.** Assignee shall indemnify, defend and protect Assignor, and hold Assignor harmless from and against, any and all liabilities, losses, damages, claims, costs or expenses (including attorneys' fees) arising out of any breach by Assignee of Contract No. 9254 or any other

failure to perform or observe any of the duties or obligations thereunder assumed by Assignee pursuant to this Assignment.

8. **Section 73. Governing Law of Assignment** is hereby added to the Agreement to read as follows:

**73. Governing Law of Assignment.** This Assignment shall be governed by the laws of the State of California, without regard to its conflict of laws principles.

9. **Section 74. Headings** is hereby added to the Agreement to read as follows:

**74. Headings.** All section headings and captions contained in this Assignment are for reference only and shall not be considered in construing this Assignment.

10. **Section 75. Entire Assignment** is hereby added to the Agreement to read as follows:

**75. Entire Assignment.** This Assignment sets forth the entire agreement between Assignor and Assignee relating to Contract No. 9254 and supersedes all other oral or written provisions.

11. **Section 76. Further Assurances** is hereby added to the Agreement to read as follows:

**76. Further Assurances.** From and after the date of this Assignment, Assignor and Assignee agree to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the conveyance contemplated by this Assignment or as may be required by City.

12. **Section 77. Severability of Assignment** is hereby added to the Agreement to read as follows:

**77. Severability of Assignment.** Should the application of any provision of this Assignment to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Assignment shall not be affected or impaired thereby and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of Assignor, Assignee and City.

13. **Section 78. Successors; Third-Party Beneficiaries** is hereby added to the Agreement to read as follows:

**78. Successors; Third-Party Beneficiaries.** Subject to the terms of Contract No. 9254, this Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. Except as set forth in Section 79, nothing in this Assignment, whether express or implied, shall be construed to give any person or entity (other than City and the parties hereto and their respective successors and assigns) any legal or equitable right, remedy or claim under or in respect of this Assignment or any covenants, conditions or provisions contained herein.

14. **Section 79. Consent of City; No Release of Assignor; Waivers** is hereby added to the Agreement to read as follows:

**79. Consent of City; No Release of Assignor; Waivers.** Each of Assignor and Assignee acknowledges that the prior written consent of City to this Assignment is required under the terms of the Contract No. 9254. City shall be a third party beneficiary of this Assignment (other than Section 72) and shall have the right to enforce this Assignment. Neither this Assignment nor the consent of City set forth below shall release Assignor in whole or in part from any of its obligations or duties under Contract No. 9254 if Assignee fails to perform or observe any such obligation or duty. Assignor has entered into this Assignment and obtained such consent of City based solely upon Assignor's independent investigation of Assignee's financial condition and ability to perform

under Contract No. 9254, and Assignor assumes full responsibility for obtaining any further information with respect to Assignee or the conduct of its business after the date of this Assignment. Assignor waives any right to require City to (a) proceed against any person or entity including Assignee, (b) proceed against or exhaust any security now or hereafter held in connection with Contract No. 9254, or (c) pursue any other remedy in City's power. Assignor waives any defense arising by reason of any disability or other defense of Assignee or any other person, or by reason of the cessation from any cause whatsoever of the liability of Assignee or any other person. Assignor shall not have and hereby waives any right of subrogation to any of the rights of City against Assignee or any other person and Assignor waives any right to enforce any remedy of Assignor against Assignee (including, without limitation, Section 72(b)) or against any other person unless and until all obligations to City under Contract No. 9254 and this Assignment have been paid and satisfied in full. Assignor waives any benefit of any right to participate in any collateral or security whatsoever now or hereafter held by City with respect to the obligations under Contract No. 9254. Assignor authorizes City, without notice or demand and without affecting Assignor's liability hereunder or under Contract No. 9254 to: (i) renew, modify or extend the time for performance of any obligation under Contract No. 9254; (ii) take and hold security for the payment of any obligation under Contract No. 9254 and exchange, enforce, waive and release such security; and (iii) release or consent to an assignment by Assignee of all or any part of Contract No. 9254.

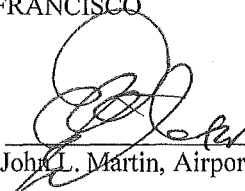
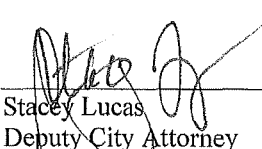
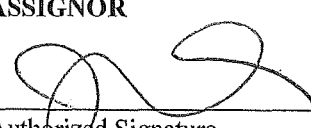

**15. Appendix A, Services to be Provided by Contractor** is hereby amended to include the cost of bus cleaning as a reimbursable expense.

**16. Appendix B, Calculations of Charges, A. Reimbursable Costs, 3. Other Direct Costs** is hereby amended to include the cost of bus cleaning as a reimbursable expense in the amount of \$10,800 per month and reimburse SFO Hotel Shuttle, Inc. the amount of \$324,000 for invoices paid during the period of December 2012 and April 2015. These services shall not increase the total compensation set forth in the Agreement.

**17. Effective Date.** Each of the modifications set forth in this Assignment/Modification shall be effective on and after the date of this Assignment/Modification.

**18. Legal Effect.** Except as expressly changed by this Assignment/Modification, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Assignment/Modification as of the date first referenced above.

<p><b>CITY</b> AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO</p> <p>By:  John L. Martin, Airport Director</p> <p>Approved as to Form: Dennis J. Herrera City Attorney</p> <p>By:  Stacey Lucas Deputy City Attorney</p> <p><b>ASSIGNOR</b></p> <p> Authorized Signature</p> <p>Jeffrey G. Leonoudakis, President SFO Shuttle Bus Company City Vendor Number: 16857 325 Fifth Street San Francisco, CA 94107 650-877-0430 FEIN: 94-2314846</p>	<p><b>ASSIGNEE</b></p> <p> Authorized Signature</p> <p>Jeffrey G. Leonoudakis President Title</p> <p>SFO Hotel Shuttle, Inc. Company Name</p> <p>88302 City Vendor Number</p> <p>54 Tanforan Avenue Address</p> <p>South San Francisco, CA 94080 City, State, ZIP</p> <p>650 980-9121 Telephone Number</p> <p>68-0494097 Federal Employer ID Number</p>
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Subject to Section 79 of this Assignment/Modification, City hereby consents to the assignment and assumption described in Sections 70 and 71 of this Assignment/Modification.

**City and County of San Francisco  
Airport Commission  
P.O. Box 8097  
San Francisco, California 94128**

**Second Modification**

THIS MODIFICATION ("Modification") is made as of July 1, 2016, in San Francisco, California, by and between **SFO Hotel Shuttle, Inc.** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission or the Commission's designated agent, hereinafter referred to as "**Commission.**"

RECITALS

WHEREAS, on June 7, 2011, by Resolution No. 234-11, the Board of Supervisors approved the contracting out of the services, concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, on October 9, 2012, by Resolution Number 12-0220, the Commission awarded Contract No. 9254 to SFO Shuttle Bus Company for the period of December 1, 2012 through June 30, 2016 in an amount not-to-exceed \$39,000,000; and

WHEREAS, on November 20, 2012, by Resolution No.421-12, the Board of Supervisors approved Contract No. 9254 under San Francisco Charter Section 9.118 for the period of December 1, 2012 through June 30, 2016 plus three 2-year options in an amount not-to-exceed \$105,000,000; and

WHEREAS, on May 15, 2015, the Airport Director approved the Assignment and Assumption and First Modification which assigns services from SFO Shuttle Bus Company to SFO Hotel Shuttle, Inc. and to reimburse Contractor for bus cleaning services per month and reimburse Contractor for invoices during the period of December 2012 and April 2015; and

WHEREAS, City and Contractor desire to modify the agreement on the terms and conditions set forth herein to increase the not-to-exceed contract amount by \$23,871,617; exercise the first of three two year options and update administrative changes required by recently enacted San Francisco contracting ordinances; and

WHEREAS, the Commission approved this Second Modification pursuant to Resolution Number 16-0077 on March 15, 2016.

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Modification:

**a. Agreement.** The term "Agreement" shall mean the Agreement dated October 9, 2012 between Contractor and City, as amended by the:

Assignment and Assumption and First Modification, dated May 15, 2015.

**b. Other Terms.** Terms used and not defined in this Modification shall have the meanings assigned to such terms in the Agreement.

2. **Section 2. Term of the Agreement** is hereby amended to exercise the first of three two year options for a new ending date of June 30, 2018.

3. **Section 5. Compensation** is hereby amended to increase the total compensation payable by an amount of \$23,871,617 for the period from July 1, 2016 through June 30, 2018 for a new not-to-exceed amount of \$62,871,617.

4. **New Section 58. Graffiti Removal** is hereby replaced in its entirety with a **New Section 58. Sugar-Sweetened Beverage Prohibition** to read as follows:

**58. Sugar-Sweetened Beverage Prohibition.** Contractor agrees that it will not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Agreement.

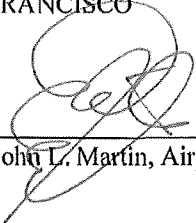
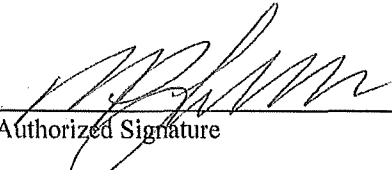
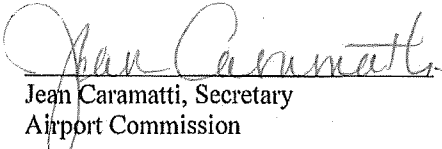
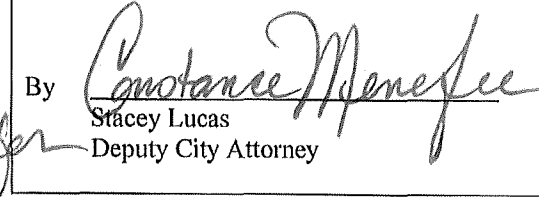
5. **New Appendix B. Calculation of Charges B. Fee Amount** is hereby amended to extend the term of the Monthly Management Fee for 24 months to June 30, 2018.

6. **Effective Date.** Each of the changes set forth in this Modification shall be effective on and after the date of this Modification.

7. **Legal Effect.** Except as expressly changed by this Modification, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.



IN WITNESS WHEREOF, Contractor and City have executed this Modification as of the date first referenced above.

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By:  for John L. Martin, Airport Director	 Authorized Signature
Attest:	Patricia Salmon Printed Name
	Vice President Title
By:  Jean Caramatti, Secretary Airport Commission	SFO Hotel Shuttle, Inc. Company Name
Resolution No: 16-0077	88302 City Vendor Number
Adopted on: March 15, 2016	54 Tanforan Avenue Address
	South San Francisco, CA 94080 City, State, ZIP
Approved as to Form: Dennis J. Herrera City Attorney	(415) 915-9777 Telephone Number
By:  for Stacey Lucas Deputy City Attorney	68-0494097 Federal Employer ID Number

**City and County of San Francisco  
Airport Commission  
P.O. Box 8097  
San Francisco, California 94128**

**Third Modification**

THIS MODIFICATION (this "Modification") is made as of **December 1, 2017**, in San Francisco, California, by and between **SFO Hotel Shuttle Bus Company** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission or the Commission's designated agent, hereinafter referred to as "**Commission.**"

RECITALS

WHEREAS, on July 19, 2016 by Resolution No. 307-16, the Board of Supervisors approved the contracting out of the services, concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, on October 9, 2012, by Resolution Number 12-0220, the Commission awarded Contract No. 9254 to SFO Hotel Shuttle Bus Company for the period of December 1, 2012 through June 30, 2016 in an amount not-to-exceed \$39,000,000; and

WHEREAS, on November 20, 2012 by Resolution No. 421-12, the Board of Supervisors approved Contract No. 9254 under San Francisco Charter Section 9.118 for the period of December 1, 2012 through June 30, 2016 plus three 2-year options in an amount not-to-exceed \$105,000,000; and

WHEREAS, on May 15, 2015, the Airport Director approved the Assignment and Assumption and First Modification which assigns services from SFO Shuttle Bus Company to SFO Hotel Shuttle, Inc. and to reimburse Contractor for bus cleaning services per month and reimburse Contractor for invoices during the period of December 2012 and April 2015;

WHEREAS, on March 15, 2016, by Resolution Number 16-0077, the Commission approved Modification No. 2 to Contract No. 9254 with SFO Hotel Shuttle, Inc. to provide shuttle bus service at San Francisco International Airport, exercising the first of three (3) two-year options commencing July 1, 2016 through June 30, 2018, in an amount not to exceed \$23,871,617 for the option period, for a new total contract amount not to exceed \$62,871,627;

WHEREAS, City and Contractor desire to modify the agreement on the terms and conditions set forth herein to adjust the scope of work to include remote gate operations, provide airfield shuttle bus service for air passengers, increase the contract amount by \$1,410,000, for a new not-to-exceed amount of \$64,281,617 and update standard clauses;

WHEREAS, the Commission approved this Third Modification pursuant to Resolution Number 17-0063 on March 21, 2017.

NOW, THEREFORE, Contractor and the City agree as follows:

**I. Definitions.** The following definitions shall apply to this Modification:

a. **Agreement.** The term “Agreement” shall mean the Agreement dated October 9, 2012 between Contractor and City, as amended by the Assignment and Assumption and First Modification, dated May 15, 2015 and the Second Modification, dated July 1, 2016

b. **Other Terms.** Terms used and not defined in this Modification shall have the meanings assigned to such terms in the Agreement.

2. **Section 64. Federal Non-Discrimination Provisions** is hereby replaced in its entirety with new **Section 64. Labor Peace/ Card Check Rule** to read as follows:

**64. Labor Peace / Card Check Rule.** Without limiting the generality of other provisions in this Agreement requiring Contractor to comply with all Airport Rules, Contractor shall comply with the Airport’s Labor Peace / Card Check Rule, adopted on February 1, 2000, pursuant to Airport Commission Resolution No. 00-0049 (the “Labor Peace / Card Check Rule”). Capitalized terms not defined in this provision are defined in the Labor Peace/Card Check Rule. To comply with the Labor Peace/Card Check Rule, Contractor shall, among other actions: (a) Enter into a Labor Peace/Card Check Rule Agreement with any Labor Organization which requests such an agreement and which has registered with the Airport Director or his / her designee, within thirty (30) days after Labor Peace/Card Check Rule Agreement has been requested; (b) Not less than thirty (30) days prior to the modification of this Agreement, Contractor shall provide notice by mail to any Labor Organization or federation of labor organizations which have registered with the Airport Director or his / her designee (registered labor organization”), that Contractor is seeking to modify or extend this Agreement; (c) Upon issuing any request for proposals, invitations to bid, or similar notice, or in any event not less than thirty (30) days prior to entering into any Subcontract, Contractor shall provide notice to all registered Labor Organizations that Contractor is seeking to enter into such Subcontract; and (d) Contractor shall include in any subcontract with a Subcontractor performing services pursuant to any covered Contract, a provision requiring the Subcontractor performing services pursuant to any covered Contract, a provision requiring the Subcontractor to comply with the requirements of the Labor Peace/Card Check Rule. If Airport Director determines that Contractor violated the Labor Peace/Card Check Rule, Airport Director shall have the option to terminate this Agreement, in addition to exercising all other remedies available to him / her.

3. **New Section 70. Airport Commission Rules and Regulations** is hereby added to read as follows:

**70. Airport Commission Rules and Regulations.** Contractor agrees to comply with the Airport Commission’s Rules and Regulations for the San Francisco International Airport as amended from time to time. A copy of the current Rules and Regulations can be found at: <http://www.flysfo.com/about-sfo/the-organization/rules-and-regulations>.

4. **New Section 71. Federal Fair Labor Standards Act** is hereby added to read as follows:

**71. Federal Fair Labor Standards Act.** This Agreement incorporates by reference the provisions of 29 CFR §201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers. Contractor has full responsibility to monitor compliance to the referenced statute or regulation. Contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

5. **New Section 72. Occupational Safety and Health Act of 1970** is hereby added to read as follows:

**72. Occupational Safety and Health Act of 1970.** This Agreement incorporates by reference the requirements of 29 CFR §1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Contractor retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (29 CFR §1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

6. **New Section 73. Federal Nondiscrimination Requirements** is hereby added to read as follows:

**73. Federal Nondiscrimination Requirements.** During the performance of this Agreement, Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as "Contractor") agrees as follows:

73.1 **Compliance with Regulations.** Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.

73.2 **Nondiscrimination.** Contractor, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the Agreement covers any activity, project, or program set forth in Appendix B of 49 CFR §21.

73.3 **Solicitations for Subcontracts.** Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Contractor of Contractor's obligations under this Agreement and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.

73.4 **Information and Reports.** Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Airport or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Airport or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

73.5 **Sanctions for Noncompliance.** In the event of a contractor's noncompliance with the Non-discrimination provisions of this Agreement, the Airport will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

(a) Withholding payments to the contractor under the contract until the contractor complies; and/or

(b) Cancelling, terminating, or suspending a contract, in whole or in part.

**73.6 Incorporation of Provisions.** Contractor will include the provisions of paragraphs 73.1 through 73.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Contractor will take action with respect to any subcontract or procurement as the Airport or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Contractor may request the Airport to enter into any litigation to protect the interests of the Airport. In addition, Contractor may request the United States to enter into the litigation to protect the interests of the United States.

**73.7 Title VI List of Pertinent Nondiscrimination Acts and Authorities.** During the performance of this Agreement, Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 USC § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR § 27;
- The Age Discrimination Act of 1975, as amended, (42 USC § 6101 et seq.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC § 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38 and the Department of Justice regulations at 28 CFR, parts 35 and 36;
- The Federal Aviation Administration’s Non-discrimination statute (49 USC. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with

disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 CFR at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC §1681 et seq).

7. **Section 5. Compensation** is hereby amended to increase the total compensation payable by an amount of \$1,410,000, for a new not-to-exceed amount of \$ 64,281,617.

8. **Appendix A, Services to be Provided by Contractor – New Section II.3.H. Remote Gate Operations** is hereby added to read as follows:

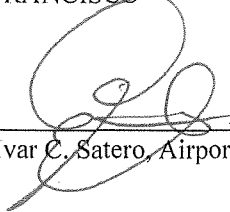
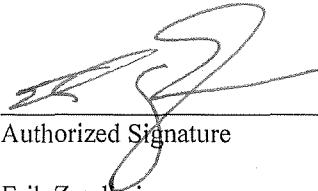
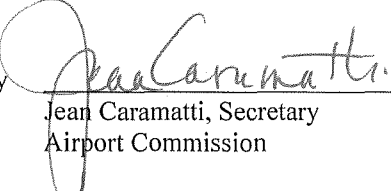
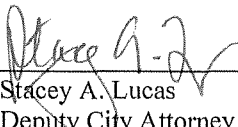
#### **H. Remote Gate Operations**

In order to accommodate gate shortages and mitigate delays in taxiing and deplaning, Contractor shall transport air passengers to and from remote aircraft hard stands and terminals. Service for remote gate operations will be implemented on an as-needed basis at the Airport's discretion, depending on monthly flight schedules and delays.

9. **Effective Date.** Each of the changes set forth in this Modification shall be effective on and after the date of this Modification.

10. **Legal Effect.** Except as expressly changed by this Modification, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Modification as of the date first referenced above.

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By:  Ivar C. Satero, Airport Director	 Authorized Signature Erik Zandhuis Printed Name
Attest:  By:  Jean Caramatti, Secretary Airport Commission	Vice President Title SFO Hotel Shuttle, Inc. Company Name
Resolution No: 17-0063  Adopted on: March, 21, 2017	88302 City Vendor Number  54 Tanforan Avenue Address
Approved as to Form:  Dennis J. Herrera City Attorney	South San Francisco, CA 94080 City, State, ZIP  (415) 915-9777 Telephone Number
By:  Stacey A. Lucas Deputy City Attorney	68-0494097 Federal Employer ID Number

**City and County of San Francisco  
Airport Commission  
P.O. Box 8097  
San Francisco, California 94128**

**Modification No. 4**

THIS MODIFICATION (this "Modification") is made as of July 1, 2018 in San Francisco, California, by and between SFO Hotel Shuttle, Inc. ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission, hereinafter referred to as "Commission."

**RECITALS**

WHEREAS, on July 19, 2016 by Resolution No. 307-16, the Board of Supervisors approved the contracting out of shuttle bus services, concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, on October 9, 2012, by Resolution Number 12-0220, the Commission awarded Contract No. 9254 to SFO Hotel Shuttle Bus Company for the period of December 1, 2012 through June 30, 2016 in an amount not-to-exceed \$39,000,000; and

WHEREAS, on November 20, 2012 by Resolution No. 421-12, the Board of Supervisors approved Contract No. 9254 under San Francisco Charter Section 9.118 for the period of December 1, 2012 through June 30, 2016 plus three 2-year options in an amount not-to-exceed \$105,000,000; and

WHEREAS, on May 15, 2015, the Airport Director approved the Assignment and Assumption and First Modification which assigns services from SFO Shuttle Bus Company to SFO Hotel Shuttle, Inc. and to reimburse Contractor for bus cleaning services per month and reimburse Contractor for invoices during the period of December 2012 and April 2015;

WHEREAS, on March 15, 2016, by Resolution Number 16-0077, the Commission approved Modification No. 2 to Contract No. 9254 with SFO Hotel Shuttle, Inc. to provide shuttle bus service at San Francisco International Airport, exercising the first of three (3) two-year options commencing July 1, 2016 through June 30, 2018, in an amount not to exceed \$23,871,617 for the option period, for a new total contract amount not to exceed \$62,871,627;

WHEREAS, on March 21, 2017, by Resolution Number 17-0063, the Commission approved Modification No. 3 to Contract No. 9254 with SFO Hotel Shuttle, Inc. to adjust the scope of work and increase the contract amount by \$1,410,000, for a new not-to-exceed amount of \$64,281,617 and update standard clauses;

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to exercise the second of three (3) two-year options commencing July 1, 2018 through June 30, 2020, in an amount not to exceed \$28,300,000, which includes an increased monthly management fee of \$112,996, for a new total contract amount not to exceed \$92,581,617.and



WHEREAS, the Commission approved this Fourth Modification pursuant to Resolution No. 18-0002 on January 16, 2018; and

NOW, THEREFORE, Contractor and the City agree as follows:

1. **Definitions.** The following definitions shall apply to this Modification:

a. **Agreement.** The term "Agreement" shall mean the Agreement dated October 9, 2012 between Contractor and City, as amended by the:

Modification No. 1,	dated May 15, 2015 and
Modification No. 2,	dated July 1, 2016 and
Modification No. 3,	dated December 1, 2017.

b. **Other Terms.** Terms used and not defined in this Modification shall have the meanings assigned to such terms in the Agreement.

2. **Section 2. Term of the Agreement** is hereby amended to extend the term of the contract for two years for a new ending date of June 30, 2020.

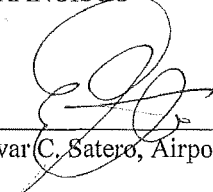
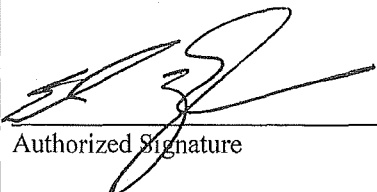
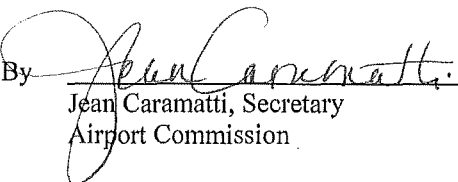
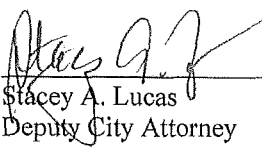
3. **Section 5. Compensation** is hereby amended to increase the total compensation payable by an amount not to exceed \$28,300,000 for a new total not to exceed amount of \$92,581,617.

4. **Appendix B. Calculation of Charges B. Fee Amount** is hereby amended to increase the monthly management fee payable by an amount not to exceed \$112,996 per month for a total of \$2,711,904 for the two-year extension period.

5. **Effective Date.** Each of the changes set forth in this Modification shall be effective on and after July 1, 2018.

6. **Legal Effect.** Except as expressly changed by this Modification, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Modification as of the date first referenced above.

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By:  Ivar C. Satero, Airport Director	 Authorized Signature Erik Zandhuis Printed Name
Attest:  By:  Jean Caramatti, Secretary Airport Commission	Vice President Title SFO Hotel Shuttle, Inc., Company Name
Resolution No: 18-0002	88302 City Vendor Number
Adopted on: January 16, 2018	54 Tanforan Avenue Address
Approved as to Form:  Dennis J. Herrera City Attorney	South San Francisco, CA 94080 City, State, ZIP  (415) 915-9777 Telephone Number
By:  Stacey A. Lucas Deputy City Attorney	68-0494097 Federal Employer ID Number

**City and County of San Francisco  
Airport Commission  
P.O. Box 8097  
San Francisco, California 94128**

**Modification No. 5**

THIS MODIFICATION (this "Modification") is made as of January 1, 2019 in San Francisco, California, by and between **SFO Hotel Shuttle, Inc.** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission, hereinafter referred to as "**Commission.**"

RECITALS

WHEREAS, on June 7, 2011 by Resolution No. 234-11 and on June 5, 2012 by Resolution No. 206-12, the Board of Supervisors approved the contracting out of shuttle bus services concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, on October 9, 2012, by Resolution Number 12-0220, the Commission awarded Contract No. 9254 to SFO Hotel Shuttle Bus Company for the period of December 1, 2012 through June 30, 2016 in an amount not-to-exceed \$39,000,000; and

WHEREAS, on November 20, 2012 by Resolution No. 421-12, the Board of Supervisors approved Contract No. 9254 under San Francisco Charter Section 9.118 for the period of December 1, 2012 through June 30, 2022, in an amount not-to-exceed \$105,000,000; and

WHEREAS, on June 3, 2014 by Resolution No. 182-14, the Board of Supervisors approved the continuing contracting out of shuttle bus services for FY 2014/15 & FY 2015/16, concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, on May 15, 2015, the Airport Director approved the Assignment and Assumption and First Modification, which assigned services from SFO Shuttle Bus Company to SFO Hotel Shuttle, Inc.; include the cost for bus cleaning services as a reimbursable expense and to retroactively pay for the bus cleaning service during the period of December 2012 through April 2015;

WHEREAS, on March 15, 2016, by Resolution Number 16-0077, the Commission approved Modification No. 2 to Contract No. 9254 with SFO Hotel Shuttle, Inc. to provide shuttle bus service at San Francisco International Airport, exercising the first of three (3) two-year options commencing July 1, 2016 through June 30, 2018, in an amount of \$23,871,617, for a new total contract amount not to exceed \$62,871,617;

WHEREAS, on July 19, 2016 by Resolution No. 307-16, the Board of Supervisors approved the continuing contracting out of shuttle bus services for FY 2016/17 & FY 2017/18, concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, on March 21, 2017, by Resolution Number 17-0063, the Commission approved Modification No. 3 to Contract No. 9254 with SFO Hotel Shuttle, Inc. to increase the contract amount by \$1,410,000, for a new not-to-exceed amount of \$64,281,617;

WHEREAS, on January 16, 2018 by Resolution No. 18-0002, the Commission approved Modification No. 4 to exercise the second of three (3) two-year options commencing July 1, 2018 through June 30, 2020, in an amount of \$28,300,000, for a new total contract amount not to exceed \$92,581,617;

WHEREAS, on May 22, 2018 by Resolution No. 167-18, the Board of Supervisors approved the continuing contracting out of shuttle bus services for FY 2018/19 & FY 2019/20, concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to authorize wage rate increases retroactive to July 1, 2016 stemming from a change in economic conditions in the Bay Area resulting in challenges in hiring and retaining qualified staff; and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to authorize the rental of additional buses when needed due to construction-related AirTrain outages and the subsequent need for additional bus services; and

WHEREAS, on December 18, 2018 by Resolution No. 18-0400, the Commission approved this Modification to the Agreement; and

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Modification:

**1.1 Agreement.** The term "Agreement" shall mean the Agreement dated January 1, 2019 between Contractor and City, as amended by the:

Modification No. 1,	dated May 15, 2015 and
Modification No. 2,	dated July 1, 2016 and
Modification No. 3,	dated December 1, 2017 and
Modification No. 4,	dated July 1, 2018.

**1.2 Other Terms.** Terms used and not defined in this Modification shall have the meanings assigned to such terms in the Agreement.

**2. Appendix A: Scope of Work**

Section I(A)(1) shall be amended by adding the following text to the last paragraph:

Contractor shall provide the City with a list of all drivers' names and shall require all drivers to complete customer courtesy training provided by Airport staff at Airport's expense. All such training shall be complete by March 31, 2019. As new drivers are assigned by Contractor to perform work under this Agreement, all such drivers shall complete customer service training within 30 calendar days of completing the Airport's badging process.

**3. Appendix B Calculation of Charges.** Appendix B Calculation of Charges is hereby amended as follows:

**2.1 Section A.1. Direct Labor Costs** is replaced in its entirety with the following:

**1. Direct Labor Costs**

Direct Labor Costs include (a) hourly wage rate plus (b) cost of fringe benefits.

**a. Hourly Wage Rates**

Consistent with Appendix B, § A(1), the City has reimbursed Contractor for half of the amount of each wage adjustment beginning in July 2016, when the first option to extend the Contract was exercised by the Airport Commission. The Contractor shall continue to submit payroll records supported by timecards or other verifiable documentation to support any application for reimbursement of Direct Labor Costs. The City has already reimbursed Contractor for all of the wages set forth in the "Historical Wage Rates Reimbursements" table, below. A new "Spotter" classification was added in January 2017 for Airside operations.

<b>Historical Wage Rates and Reimbursements</b>				
<b>Effective December 2012</b>				
Classification	Wage Rate Paid by Contractor	Wage Increase	50% of Differential	Billed Rate to SFO*
Shuttle Bus Drivers	\$24.19	\$0.00	\$0.00	\$24.19
Bus Mechanics (Journeymen)	\$34.65	\$0.00	\$0.00	\$34.65
Bus Mechanics (Foreman)	\$38.12	\$0.00	\$0.00	\$38.12
Supervisors	\$25.79	\$0.00	\$0.00	\$25.79
<b>Effective July 2016</b>				
Shuttle Bus Drivers	\$26.50	\$2.31	\$1.16	\$25.35
Bus Mechanics (Journeymen)	\$34.65	\$0.00	\$0.00	\$34.65
Bus Mechanics (Foreman)	\$38.12	\$0.00	\$0.00	\$38.12
Supervisors	\$27.29	\$1.50	\$0.75	\$26.54
<b>Effective January 2017</b>				
Shuttle Bus Drivers	\$27.00	\$0.50	\$0.25	\$25.60
Bus Mechanics (Journeymen)	\$35.65	\$1.00	\$0.50	\$35.15
Bus Mechanics (Foreman)	\$39.22	\$1.10	\$0.55	\$38.67
Supervisors	\$28.29	\$1.00	\$0.50	\$27.04
Spotters**	\$17.50	\$0.00	\$0.00	\$17.50
<b>Effective January 2018</b>				
Shuttle Bus Drivers	\$27.50	\$0.50	\$0.25	\$25.85
Bus Mechanics (Journeymen)	\$36.35	\$0.70	\$0.35	\$35.50
Bus Mechanics (Foreman)	\$39.99	\$0.77	\$0.39	\$39.06
Supervisors	\$29.09	\$0.80	\$0.40	\$27.44
Spotters	\$18.00	\$0.50	\$0.25	\$17.75
<b>Effective July 2018</b>				
Shuttle Bus Drivers	\$28.00	\$0.50	\$0.25	\$26.10
Bus Mechanics (Journeymen)	\$37.05	\$0.70	\$0.35	\$35.85
Bus Mechanics (Foreman)	\$40.76	\$0.77	\$0.38	\$39.44
Supervisors	\$29.09	\$0.00	\$0.00	\$27.44
Spotters	\$18.50	\$0.50	\$0.25	\$18.00

\*Billed rate (Previous billed rate + % current of differential)

\*\*New classification beginning 1/2017 to accommodate Airside bus operations

The City shall reimburse Contractor for additional wage increases at the rates set forth in the table below:

<b>Future Wage Rates and Reimbursements</b>				
<b>Effective January 2019</b>				
Classification	Wage Rate Paid by Contractor	Wage Increase	50% of Differential	Billed Rate to SFO*
Shuttle Bus Drivers**	\$28.50	\$0.50	\$0.50	\$28.50
Bus Mechanics (Journeyman)	\$37.75	\$0.70	\$0.35	\$36.20
Bus Mechanics (Foreman)	\$41.53	\$0.77	\$0.39	\$39.83
Supervisors	\$29.89	\$0.80	\$0.40	\$27.84
Spotters	\$19.00	\$0.50	\$0.25	\$18.25
<b>Effective July 2019</b>				
Classification	Wage Rate Paid by Contractor	Wage Increase	50% of Differential	Billed Rate to SFO*
Shuttle Bus Drivers	\$29.00	\$0.50	\$0.25	\$28.75
Bus Mechanics (Journeyman)	\$38.45	\$0.70	\$0.35	\$36.55
Bus Mechanics (Foreman)	\$42.31	\$0.78	\$0.39	\$40.22
Supervisors	\$29.89	\$0.00	\$0.00	\$27.84
Spotters	\$19.50	\$0.50	\$0.25	\$18.50

\*Billed rate (Previous billed rate + % current of differential)

\*\*Billed rate to SFO for Shuttle Bus Drivers is allowed a one-time baseline readjustment with 100% reimbursement effective January 2019. All other classifications are to be billed consistent with the contract terms of 50% of wage increases.

No further wage increases or new classifications will be approved except through a contract modification.

2.2 Section A.3, Other Direct Costs is replaced in its entirety with the following:

**Other Direct Costs**

The following other direct costs shall be reimbursable when accompanied by appropriate documentation.

Cost Item	Yes	No
<b>Internet and Telephone</b>		
Up to five (5) land line telephones with voicemail		X
Local calls from landlines	X	
Long distance calls from landlines	X	
Cellular bills for modems installed in shuttle buses and bus stops.	X	
Cell phones (excluding smart phones)	X	
Replacement of lost or damaged cell phones		X
Cell phone bills	X	
Text messaging services	X	
Wireless internet service	X	
Express next-day or two-day shipments of Airport-authorized purchases	X	
Letterhead and business cards		X
<b>Office Equipment</b>		
Computers, printers and monitors for administrative office functions		X
Basic software (word processing, spread sheet, anti-virus, internet browser)		X
Hardware and other software (Items to support the logistics of route and vehicle tracking including but not limited to scheduling software, transit feed capabilities, and the ability to interface with other GPS systems)	X	
Training on operation of new equipment.	X	
Computer consumables (ink cartridges, toner, paper)	X	
Use of photocopier		X
Office furniture (desks, file cabinets, chair)		X
<b>Insurance, Parts, Equipment, Fuel</b>		
Equipment necessary for the repair and maintenance of buses		X
Equipment and Vehicle Rental (Equipment and Vehicle Rental: Rental of equipment and vehicles when there is a shortage at SFO to adequately provide both landside and airside bussing. Examples include but are not limited to bus rental to accommodate remote gate bussing and flight delay contingency plans, variable message signs to relay bus information to passengers, and vehicle rental to service and maintain the existing bus fleet.)	X	
Training on operation of new equipment and vehicles and other training related to both landside and airside bussing as necessary.	X	
Parts necessary for the repair and maintenance of buses	X	
Fuel	X	
Insurance Premiums	X	
<b>Employee Customer Service Training</b>		
Training to be provided by SFO Guest Services	X	

**B. Management Fee**

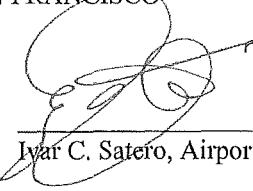


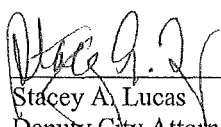
The monthly Management Fee of \$112,996 shall constitute full compensation to the Contractor for any and all management fees, profit, overhead and non-reimbursable costs (direct or indirect), associated with the performance of services under this Contract. An itemized list of reimbursable and non-reimbursable costs is provided in Paragraph A above. The Management Fee shall include all costs associated with all principals, managers and assistant managers. The Contractor shall invoice the City for payment of the Management Fee on a regular monthly basis.

4. **Effective Date.** Each of the changes set forth in this Modification shall be effective on and after the date of this Modification, except for hourly wage rates which shall follow the effective dates set forth in 2.1.a of this Modification No. 5.

5. **Legal Effect.** Except as expressly changed by this Modification, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.



IN WITNESS WHEREOF, Contractor and City have executed this Modification as of the date first referenced above.

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By:  Ivar C. Satero, Airport Director	Authorized Signature  VERIK ZANDHUIS
Attest:	Printed Name Vice President Commuter Shuttle
By:  C. Corina Monzon, Secretary Airport Commission	Title SFO HOTEL Shuttle Inc
Resolution No: 18-0400	Company Name 88302
Adopted on: December 18, 2018	City Supplier ID 57 TAMFORAN AVENUE
Approved as to Form:	Address SOUTH SAN FRANCISCO CA 94080
Dennis J. Herrera City Attorney	City, State, ZIP 415 915 9777
By:  Stacey A. Lucas Deputy City Attorney	Telephone Number 68-0494097 Federal Employer ID Number

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 20-0016

**APPROVE MODIFICATION NO. 6 TO CONTRACT NO. 9254 FOR AIRPORT SHUTTLE BUS SERVICES WITH SFO HOTEL SHUTTLE, INC., TO EXERCISE THE FINAL 2-YEAR OPTION TO EXTEND THE TERM THROUGH JUNE 30, 2022 AND INCREASE THE CONTRACT AMOUNT BY \$27,900,000 FOR A NEW TOTAL CONTRACT AMOUNT NOT TO EXCEED \$123,181,617**

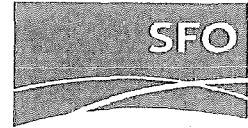
- WHEREAS, on October 9, 2012, by Resolution No. 12-0220, the Commission awarded the shuttle bus contract to SFO Shuttle Bus Company for a 3-year, seven-month period beginning December 1, 2012 through June 30, 2016 in an amount not to exceed \$39,000,000, with up to three 2-year options, exercisable at the sole discretion of this Commission; and
- WHEREAS, on November 20, 2012, the Board of Supervisors (BOS) approved Resolution No. 421-12, authorizing the agreement between SFO Shuttle Bus Company and the City and County of San Francisco acting by and through its Airport Commission in an amount not to exceed \$105,000,000 (if all options are exercised) for a term of December 1, 2012 through June 30, 2016, with up to three options for two years each; and
- WHEREAS, on May 15, 2015, the Airport Director approved the Assignment and Assumption through Administrative Modification No. 1, assigning service from SFO Shuttle Bus Company to SFO Hotel Shuttle, Inc.; and
- WHEREAS, on March 15, 2016, by Resolution No. 16-0077, the Commission approved Modification No. 2 to Contract No. 9254 with SFO Hotel Shuttle, Inc. to provide shuttle bus service at San Francisco International Airport, exercising the first of three 2-year options commencing July 1, 2016 through June 30, 2018, in an amount not to exceed \$23,871,617 for the option period, for a new total not-to-exceed contract amount of \$62,871,617; and
- WHEREAS, on March 21, 2017, by Resolution No. 17-0063, the Commission approved Modification No. 3 to Contract No. 9254 with SFO Hotel Shuttle, Inc. to adjust the scope to Contract No. 9254 by including Airfield bus service and increase funding in an amount of \$1,410,000 for a new total contract amount not to exceed \$64,281,617; and
- WHEREAS, on January 16, 2018, by Resolution No. 18-0002, the Commission approved Modification No. 4 to exercise the second of three 2-year options commencing July 1, 2018 through June 30, 2020, in an amount not to exceed \$28,300,000, for a new total not-to-exceed contract amount of \$92,581,617; and
- WHEREAS, on December 18, 2018, by Resolution No. 18-0400, the Commission approved Modification No. 5 to authorize wage rate increases and include new reimbursable costs in an amount of \$2,700,000 and a new total not-to-exceed contract amount of \$95,281,617; and
- WHEREAS, SFO Hotel Shuttle, Inc. has satisfactorily provided all aspects of Airport shuttle bus services, and the contract is set to expire on June 30, 2020; and
- WHEREAS, a modification to exercise the final 2-year option to extend the agreement is required to retain Airport shuttle bus services with SFO Hotel Shuttle, Inc.; now, therefore, be it
- RESOLVED, that this Commission hereby approves Modification No. 6 to Contract No. 9254 for Airport shuttle bus services with SFO Hotel Shuttle, Inc. and exercise the final 2-year option to extend the term through June 30, 2022 and to increase the Contract amount by \$27,900,000 for a new Contract amount not to exceed \$123,181,617; and, be it further
- RESOLVED, that the Airport Director is authorized to take the necessary steps to obtain BOS approval of Modification No. 6 to Contract No. 9254 pursuant to San Francisco Charter Section 9.118(b).

*I hereby certify that the foregoing resolution was adopted by the Airport Commission*

*at its meeting of*

**FEB - 4 2020**

  
Secretary



San Francisco International Airport

**MEMORANDUM**

February 4, 2020

20-0016

FEB - 4 2020

TO: AIRPORT COMMISSION  
Hon. Larry Mazzola, President  
Hon. Eleanor Johns  
Hon. Richard J. Guggenheimer  
Hon. Malcolm Yeung

FROM: Airport Director

SUBJECT: Approval of Modification No. 6 to Contract No. 9254 for Airport Shuttle Bus Services with SFO Hotel Shuttle, Inc.

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 6 TO CONTRACT NO. 9254, AIRPORT SHUTTLE BUS SERVICES WITH SFO HOTEL SHUTTLE, INC., TO EXERCISE THE FINAL 2-YEAR OPTION TO EXTEND THE TERM THROUGH JUNE 30, 2022 AND INCREASE THE CONTRACT AMOUNT BY \$27,900,000 FOR A NEW TOTAL CONTRACT AMOUNT NOT TO EXCEED \$123,181,617.

**Executive Summary**

Through Contract No. 9254, SFO Hotel Shuttle, Inc. provides free shuttle bus service at San Francisco International Airport (Airport or SFO). This service includes busing to Long Term and Employee Parking Garages/Lots, busing to remote locations for Airfield operations, as-needed emergency busing services during AirTrain outages, and a new route to and from Oyster Point Ferry Terminal. The existing contract with SFO Hotel Shuttle, Inc. will expire on June 30, 2020. Staff seeks Commission approval to exercise the final 2-year option to extend the term through June 30, 2022.

**Background**

On October 9, 2012, by Resolution No. 12-0220, the Commission awarded Contract No. 9254 to SFO Shuttle Bus Company (now known as SFO Hotel Shuttle) to provide shuttle bus services at SFO for a period of three-years and seven-months with three 2-year options to extend, for a total possible term of 9-years and 6-months. The total not-to-exceed Board of Supervisors (BOS) contract amount, including all extensions, was \$105,000,000. The contract has been modified five times, as detailed in Attachment A – Summary of Commission Actions to date for this contract.

The AirTrain extension to the long-term parking garage, initially scheduled for completion in March 2020, is now scheduled for completion in December 2020. Upon completion, Staff will evaluate busing services and recommend reduction in the scope of shuttle services to the new long-term parking garage. Assuming the AirTrain extension is complete by the end of December 2020, then we expect to see a reduction in spending on this contract by approximately \$500,000 each month.

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

THIS PRINT COVERS CALENDAR ITEM NO. 3

LONDON N. BREED  
MAYOR

LARRY MAZZOLA  
PRESIDENT

ELEANOR JOHNS

RICHARD J. GUGGENHIME

MALCOLM YEUNG

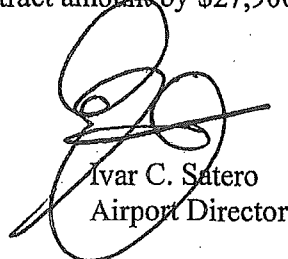
IVAR C. SATERO  
AIRPORT DIRECTOR

In July 2019, the Airport added a route to Oyster Point, allowing badged personnel and customers from the East Bay to commute via ferry, and then get a free ride to the Airport. The Airport provides three scheduled rides in the morning and another three in the evening. While a small group of badged employees – and an even smaller number of customers – use this service, Staff is considering whether the service is sustainable, given the low numbers. Should Staff conclude that the Oyster Point service is underused, that service will be terminated, which will reduce the overall cost of this contract extension by \$150,000.

The initial not-to-exceed amount for this contract, including extensions, was \$105,000,000. In the intervening years, changes in scope to accommodate Airport construction projects resulted in accelerated expenditures. With this Modification No. 6, increasing the contract amount by \$27,900,000, the revised total not-to-exceed contract amount is \$123,181,617. The contract will expire on June 30, 2022. Consistent with San Francisco Charter Section 9.118(b), the Airport will also seek approval for this modification from the BOS.

**Recommendation**

I recommend the Commission approve Modification No. 6 to Contract No. 9254, Airport shuttle bus services with SFO Hotel Shuttle, Inc., to exercise the final 2-year option to extend the term through June 30, 2022 and to increase the contract amount by \$27,900,000, for a new total contract amount not to exceed \$123,181,617.



Ivar C. Satero  
Airport Director

Prepared by: Jeff Littlefield  
Chief Operating Officer

Attachments

## ATTACHMENT A SUMMARY OF COMMISSION ACTIONS

February 4, 2020

Contract No.: 9254 Airport Shuttle Bus Services

Contractor: SFO Hotel Shuttle, Inc.

Modification No. 6

Date	Modification No.	Resolution No.	Description	Scope	Amount
10/9/2012	-	12-0220	Award of Contract	Contract No. 9254 to provide Airport Shuttle Bus Services for an initial term of three years and seven months with three 2-year options to extend for a total possible term of nine years and six months.	\$39,000,000
5/15/2015	1	-	Administrative Modification	Assignment & Assumption to assign services from SFO Shuttle Bus Company to SFO Hotel Shuttle, Inc.	\$0
3/15/2016	2	16-0077	Contract Modification	Exercising the first of three 2-year options and updating administrative changes required by San Francisco contracting ordinances.	\$23,871,617
3/21/2017	3	17-0063	Contract Modification	To adjust the contract scope to include airfield bus service and increase funding.	\$1,410,000
1/16/2018	4	18-0002	Contract Modification	Exercising the second of three 2-year options.	\$28,300,000
12/18/2018	5	18-0400	Contract Modification	Authorizing wage rate increases and additional reimbursable costs in the Calculation of Charges.	\$2,700,000

**Authorized Contract Amount to Date**      **\$95,281,617**

Modification No. 6 Proposed Increase      **\$27,900,000**

**Proposed Contract Amount**      **\$123,181,617**



RECEIVED  
San Francisco International Airport  
BOARD OF SUPERVISORS  
SAN FRANCISCO

February 14, 2020

2020 FEB 14 PM 1:52

BY 

Ms. Angela Calvillo  
Clerk of the Board  
Board of Supervisors  
City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

Subject: Modification No. 6 to Professional Services Contract No. 9254 for Airport Shuttle Bus Services with SFO Hotel Shuttle, Inc., and the City and County of San Francisco, acting by and through its Airport Commission

Dear Ms. Calvillo:

Pursuant to Section 9.118 of the City Charter, I am forwarding for the Board of Supervisors' approval a proposed Resolution approving Modification No. 6 to Professional Services Contract No. 9254 for Airport Shuttle Bus Services with SFO Hotel Shuttle, Inc., and the City and County of San Francisco, acting by and through its Airport Commission.

The following is a list of accompanying documents:

- Board of Supervisors Resolution (one original and one copy);
- Approved Airport Commission Resolution No. 20-0016;
- Memorandum accompanying Airport Commission Resolution No. 20-0016;
- SFEC-126 (Board of Supervisors) for SFO Hotel Shuttle, Inc.;
- A copy of Professional Services Contract No. 9254 and Modifications No.1 through No.5; and
- A copy of Modification No. 6 to Professional Services Contract No. 9254.

The following person may be contacted regarding this matter:

Cathy Widener  
Government Affairs  
[cathy.widener@flysfo.com](mailto:cathy.widener@flysfo.com)  
(650) 821-5023

Very truly yours,

Corina Monzón  
Commission Secretary

Enclosures

cc: Abubaker Azam, Landside Operations  
Cathy Widener, Governmental Affairs

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

LONDON N. BREED  
MAYOR

LARRY MAZZOLA  
PRESIDENT

ELEANOR JOHNS

RICHARD J. GUGGENHIME

MALCOLM YEUNG

IVAR C. SATERO  
AIRPORT DIRECTOR



## San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102  
 Phone: 415.252.3100 . Fax: 415.252.3112  
[ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org) . [www.sfethics.org](http://www.sfethics.org)

Received On:

File #:

200208

Bid/RFP #:

### Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

#### 1. FILING INFORMATION

TYPE OF FILING

original

DATE OF ORIGINAL FILING (for amendment only)

AMENDMENT DESCRIPTION – Explain reason for amendment

#### 2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD

Board of Supervisors

NAME OF CITY ELECTIVE OFFICER

Members

#### 3. FILER'S CONTACT

NAME OF FILER'S CONTACT

Angela Calvillo

TELEPHONE NUMBER

415-554-5184

FULL DEPARTMENT NAME

office of the Clerk of the Board

EMAIL

Board.of.Supervisors@sfgov.org

#### 4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT

Cathy Widener

DEPARTMENT CONTACT TELEPHONE NUMBER

650-821-5184

FULL DEPARTMENT NAME

AIR San Francisco International Airport

DEPARTMENT CONTACT EMAIL

Cathy.Widener@flsfo.com

5. CONTRACTOR	
<b>NAME OF CONTRACTOR</b> SFO Hotel Shuttle, Inc.	<b>TELEPHONE NUMBER</b> 415-915-9777
<b>STREET ADDRESS (including City, State and Zip Code)</b> 54 Tanforan Avenue, SSF CA 94080	<b>EMAIL</b>

6. CONTRACT		
<b>DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)</b>	<b>ORIGINAL BID/RFP NUMBER</b>	<b>FILE NUMBER (if applicable)</b> 200208
<b>DESCRIPTION OF AMOUNT OF CONTRACT</b> \$123,181,617		
<b>NATURE OF THE CONTRACT (Please describe)</b> SFO Hotel Shuttle, Inc. provides scheduled shuttle bus services at San Francisco International Airport for air passengers and Airport employees, serving the terminal complex, long-term parking lots, and other locations.		

7. COMMENTS

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS



**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Zandhuis	Erik	Other Principal Officer
2	Leonoudakis	Jeff	Other Principal Officer
3			
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**9. AFFILIATES AND SUBCONTRACTORS**

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#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
39			
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50			

Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.

**10. VERIFICATION**

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

**I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.**

SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK   <p style="text-align: center;">BOS Clerk of the Board</p>	DATE SIGNED
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