

Stephanie P

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DocuSigned by:

Christopher B

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Jeff Littlefi

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**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 March 1, 2022, in San Francisco, California, by and between **Hallmark Aviation Services, L.P.** (“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

- A. City and Contractor have entered into the Agreement (as defined below); and
- B. The City has approved the contracting-out of the services under the Agreement upon the certification of the Controller that the services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels, see Board of Supervisors Resolution No. 307-16, adopted July 19, 2016; and
- C. On October 18, 2016, by Resolution No. 16-0265, the Commission awarded the Agreement to the Contractor for a term of 18 months and a not-to-exceed amount of \$11,550,000; and
- D. On December 13, 2016, by Resolution No. 533-16, the Board of Supervisors approved the Agreement under San Francisco Charter Section 9.118; and
- E. On April 3, 2018, by Resolution No. 18-0096, the Commission exercised the first of three two-year options to extend and approved Modification No. 1 (“Modification No. 1”), extending the term of the Agreement by two years, increasing the total contract not-to-exceed amount to \$27,353,224 and modifying the Scope of Work and Calculation of Charges; and
- F. On May 22, 2018, by Resolution No. 160-18, the Board of Supervisors approved Modification No. 1 under San Francisco Charter Section 9.118; and
- G. On July 1, 2019, the Airport Director approved Modification No. 2, to modify the contract to increase the labor rate to the new QSP rate and update standard contractual clauses; and
- H. On June 16, 2020, by Resolution No. 20-0113, the Commission exercised the second of three two-year options and approved Modification No. 3 (“Modification No. 3”), extending the term of the Agreement by two years, increasing the labor rate to the new QSP rate, reducing the management fee by 5%, and increasing the contract in an amount not to exceed \$13,758,746, for a new total not-to-exceed contract amount of \$41,111,970; and
- I. On July 31, 2020, by Resolution No. 345-20, the Board of Supervisors approved Modification No. 1 under San Francisco Charter Section 9.118; and
- J. On March 1, 2022, by Resolution No. 22-0033, the Commission exercised the third of three two-year options and approved Modification No. 4 (“Modification No. 4”), extending the term of the Agreement by two years, increasing the labor rate to the new QSP rate, and increasing the contract in an amount not to exceed \$11,950,408, for a new total not-to-exceed contract amount of \$53,062,378; and

K. On _____, by Resolution No. _____, the Board of Supervisors approved Modification No. 4 under San Francisco Charter Section 9.118; and

L. The Local Business Entity (“LBE”) subcontracting participation requirement for this Agreement is 5 %.

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

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

2. Article 1. Definitions, 1.1 Agreement has been revised. The definition “Agreement” shall mean the Agreement dated October 19, 2016 between Contractor and City, as amended by Modification No. 1, dated April 3, 2018, Modification No. 2, dated July 1, 2019, and Modification No. 3, dated July 1, 2020, including all attached appendices, and all applicable city ordinances and “Mandatory City Requirements” which are specifically incorporated by reference into the Agreement.

3. Section 11.1 Notices to the Parties is hereby amended to add Section 11.1.1 as follows:

11.1.1 The Parties consent to the use of Digital Signatures, affixed using the City’s DocuSign platform, to execute this Agreement and all subsequent modifications.

4. Appendix B-1 Calculation of Charges is amended to include **Cost Proposal Table B.1.5 July 1, 2022 through June 30, 2023** and **Cost Proposal Table B.1.6 July 1, 2023 through June 30, 2024** as follows:

Appendix B-1 Cost Proposal Table B-1.5 July 1, 2022 through June 30, 2023

Direct Labor Costs	FTE	Budgete	Hourly Rate	Total Cost
<i>Hallmark</i>				
International Arrival Ambassador	32.0	66,560	\$19.05	\$ 1,267,968.00
Lost & Found Agent	-	-	\$19.05	\$ -
Lost & Found Lead	-	-	\$21.76	\$ -
International Arrival Ambassador Lead	5.0	10,400	\$21.76	\$ 226,304.00
Totals - Hallmark	37.0	76,960		\$ 1,494,272.00
<i>Polaris</i>				
Guest Service Ambassador	22.1	45,968	\$19.13	\$ 879,367.84
Guest Service Ambassador Supervisor	7.0	14,560	\$20.51	\$ 298,625.60
Volunteer Program Coordinator	1.7	3,536	\$38.68	\$ 136,772.48
Volunteer Program Coordinator - PT	0.5	1,040	\$38.68	\$ 40,227.20
Totals - Polaris	31.3	65,104		\$ 1,354,993.12
TOTAL DIRECT LABOR				\$ 2,849,265.12

Indirect Labor Costs		Fringe Percent	
	Health, Dental, Life Insurance	0.2228	\$ 332,923.80
	Worker's Compensation	0.0354	\$ 52,897.23
	FICA, FUTA SUI	0.11	\$ 164,369.92
<i>Hallmark</i>	Personal Leave	0.0462	\$ 69,035.37
	Holiday Premium	0.0192	\$ 28,690.02
	401K Matching	0.032	\$ 47,816.70
	Staff Welfare & Morale	0.0095	\$ 14,195.58
	Healthy Airport Ordinance	0.085	\$ 127,013.12
Totals - Hallmark			\$ 836,941.75

Indirect Labor Costs		Fringe Percent	
	Health, Dental, Life Insurance	0.1425	\$ 193,086.52
	Worker's Compensation	0.02	\$ 27,099.86
	FICA, FUTA SUI	0.1013	\$ 137,260.80
<i>Polaris</i>	Personal Leave	0.147	\$ 199,183.99
	Holiday Premium	0.0192	\$ 26,015.87
	401K Matching	0.0335	\$ 45,392.27
	Staff Welfare & Morale	0.008	\$ 10,839.94
	401K Profit Sharing	0.04	\$ 54,199.72
Totals - Polaris			\$ 693,078.98
TOTAL INDIRECT LABOR			\$ 1,530,020.73

Total Management Fee	July 1, 2022 through June 30, 2023
	\$ 1,411,366.00

Other Direct Costs	
Office Equipment and Technical Support	\$ 46,551.87
Reward & Recognition	\$ 10,000.00
Uniform and Dry Cleaning	\$ 70,000.00
ADM Guest Support Supplies	\$ 15,000.00
Performance Bond	\$ 38,000.00
Fringe Reimbursement	\$ 5,000.00
TOTAL OTHER DIRECT COSTS	
	\$ 184,551.87

Total July 1, 2022 through June 30, 2023 Cost Proposal \$ 5,975,203.72

Appendix B-1 Cost Proposal Table B-1.6 July 1, 2023 through June 30, 2024

Direct Labor Costs	FTE	Budgete	Hourly Rate	Total Cost
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International Arrival Ambassador	32.0	66,560	\$19.05	\$ 1,267,968.00
Lost & Found Agent	-	-	\$19.05	\$ -
Lost & Found Lead	-	-	\$21.76	\$ -
International Arrival Ambassador Lead	5.0	10,400	\$21.76	\$ 226,304.00
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TOTAL INDIRECT LABOR			\$ 1,530,020.73

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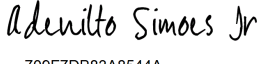
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ADM Guest Support Supplies	\$ 15,000.00
Performance Bond	\$ 38,000.00
Fringe Reimbursement	\$ 5,000.00
TOTAL OTHER DIRECT COSTS	
	\$ 184,551.87

Total July 1, 2023 through June 30, 2024 Cost Proposal \$ 5,975,203.72

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

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

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By: _____ Ivar C. Satero, Airport Director	DocuSigned by:  709E7DB83A8544A _____ Authorized Signature Adenilto Simoes Jr
Attest:	_____ Printed Name Vice President of Sales & Marketing
By _____ Kantrice Ogletree, Secretary Airport Commission	_____ Title Hallmark Aviation Services L. P. 000019096 5757 W. Century Boulevard, Suite 860 Los Angeles, CA 90045 310-215-7213 95-4217627
Resolution No: <u>22-0033</u>	
Adopted on: <u>March 1, 2022</u>	
Approved as to Form: David Chiu City Attorney	
By _____ Christopher Stuart Deputy City Attorney	