

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

Modification No. 2

THIS MODIFICATION (this “Modification”) is dated May 18, 2021, in San Francisco, California, by and between **Dignity Health dba St. Mary’s Medical Center** (“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. On February 19, 2019, by Resolution No. 19-0026, the Commission awarded this Agreement to the Contractor for the initial term of July 1, 2019 through June 30, 2022, in a not-to-exceed amount of \$5,900,000; and
- C. The City and Contractor agreed that due to the COVID-19 pandemic, there was a need to make available onsite testing for diagnosis of COVID-19 for Airport Commission employees, and for employees of Airport tenants, Airlines and other entities that provide services at SFO; and
- D. On May 28, 2020, the Airport Director administratively modified the Agreement (Modification No. 1) to add Dignity Health Medical Foundation (DHMF) as a subcontractor to the Agreement; and
- E. On May 18, 2021, by Resolution No. 21-0116, the Commission approved Modification No. 2 to increase the not-to-exceed amount for the initial term of the Agreement to \$9,400,000, and to reduce the fixed management fee established in the Agreement by 50% for fiscal years 2020-2021 and 2021-2022; and
- F. There is no Local Business Entity (“LBE”) subcontracting participation requirement for this Agreement; and
- G. Approval for this Agreement was obtained when the Civil Service Commission approved PSC No. 44548-16/17 on June 19, 2017.

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

- 1. **Article 1. Definitions, Section 1.1 Agreement** means the contract document dated July 1, 2019, Modification No. 1, dated May 28, 2020, including all attached appendices, and all applicable city ordinances and “Mandatory City Requirements” which are specifically incorporated by reference into the Agreement.
- 2. **Article 3. Financial Matters, Section 3.3. Compensation, 3.3.1 Payment** is hereby amended to increase the total compensation by \$3,500,000 for a new total not-to-exceed amount of \$9,400,000.
- 3. **Article 11, General Provisions, Section 11.1 Notices to the Parties** is hereby replaced in its entirety with the following:

Section 11.1 Notices to the Parties. Unless otherwise indicated in this Agreement, all written communications sent by the Parties may be by U.S. mail or e-mail, and shall be addressed as follows:

To City: Kevin Bumen, Chief Commercial Officer, San Francisco International Airport,
P.O. Box 8097, San Francisco, CA 94128, 650-821-5040,
kevin.bumen@flysfo.com

To Contractor: Daryn Kumar, President and CEO, Dignity Health, St. Mary's Medical Center,
450 Stanyan Street, San Francisco, CA 94117, 415-750-4855,
daryn.kumar@dignityhealth.com

Any notice of default must be sent by registered mail. Either Party may change the address to which notice is to be sent by giving written notice thereof to the other Party. If email notification is used, the sender must specify a receipt notice.

4. **Appendix B, Calculation of Charges, Section 3 Management Fee** is hereby amended to decrease the base amount of the annual Management Fee for fiscal years 2020-2021 and 2021-2022 by 50% from \$355,000 to \$177,500.

5. **Appendix C** is hereby replaced in its entirety with the new **Appendix C-1: Financial Projections, Five-Year Budget**.

| APPENDIX C-1: FINANCIAL PROJECTIONS | | | | | | |
|---|---------------------|----------------------|-----------------------|---------------------------|---------------------------|----------------------|
| FIVE-YEAR BUDGET | | | | | | |
| FISCAL YEAR | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | TOTAL 5-YR. |
| | Actual | Annualized Projected | Proposed Budget | Estimated Proposed Budget | Estimated Proposed Budget | |
| BASE CASE SCENARIO | | | | | | |
| Visit Volume | 13,375 | 9,966 | 12,458 | 15,572 | 19,465 | |
| Revenue Per Visit | \$ 97.35 | \$ 92.51 | \$ 103.20 | \$ 106.30 | \$ 109.49 | |
| Net Patient Revenue | \$ 1,302,015 | \$ 921,909 | \$ 1,285,614 | \$ 1,655,290 | \$ 2,131,206 | \$ 7,296,034 |
| Labor Costs | \$ 3,204,511 | \$ 2,841,719 | \$ 2,926,971 | \$ 3,014,780 | \$ 3,105,223 | \$ 15,093,205 |
| Additional Staffing | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Additional Advertising | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Non-Labor Expenses | \$ 313,937 | \$ 377,007 | \$ 388,317 | \$ 399,967 | \$ 411,966 | \$ 1,891,194 |
| EMR Interface between eCW and Cerner PCA | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Operating Expenses | \$ 3,518,448 | \$ 3,218,726 | \$ 3,315,288 | \$ 3,414,747 | \$ 3,517,189 | \$ 16,984,398 |
| Operating Shortfall (Base Case Scenario) | \$ (2,216,433) | \$ (2,296,817) | \$ (2,029,674) | \$ (1,759,456) | \$ (1,385,983) | \$ (9,688,364) |
| Mgmt. Fee (Fixed) | \$ 355,000 | \$ 177,500 | \$ 177,500 | \$ 355,000 | \$ 355,000 | \$ 1,420,000 |
| Mgmt. Fee Adj. (60% of Savings): To Be Determined | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Mgmt. Fee | \$ 355,000 | \$ 177,500 | \$ 177,500 | \$ 355,000 | \$ 355,000 | \$ 1,420,000 |
| PROJECTED SFO PAYMENTS (BASE CASE) | \$ 2,571,433 | \$ 2,474,317 | \$ 2,207,174 | \$ 2,114,456 | \$ 1,740,983 | \$ 11,108,364 |
| PROJECTED SFO PAYMENTS (RANGE) | | \$ 2,474,317 | \$ 2,207,174 - | | | |
| | \$ 2,571,433 | \$ 2,750,000 | \$ 2,950,000 | | | |
| MAX. PROJECTED BUDGET 3-YR. & 5-YR. BUDGET (RANGE) | | | \$ 7,252,924 - | | \$ 11,108,364 - | |
| | | | \$ 8,271,433 | | \$ 12,126,872 | |

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:  Ivar C. Satero, Airport Director |  Authorized Signature |
| Attest: | Daryn Kumar |
| By  Kantrice Ogletree, Secretary Airport Commission | Printed Name President and CEO Title |
| Resolution No: <u>21-0116</u> | <u>Dignity Health, dba St. Mary's Medical Center</u> Company Name |
| Adopted on: <u>May 18, 2021</u> | <u>0000021370</u> City Supplier ID |
| Approved as to Form: Dennis J. Herrera City Attorney | <u>450 Stanyan Street</u> Address |
| | <u>San Francisco, CA 94117</u> City, State, ZIP |
| By  Christopher Stuart Deputy City Attorney | <u>415-750-4855</u> Telephone Number <u>94-1196203</u> Federal Employer ID Number |