

File No. 241152

Committee Item No. 7

Board Item No. 12

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date January 22, 2025

Board of Supervisors Meeting Date January 28, 2025

#### Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input type="checkbox"/>	<input type="checkbox"/>	Introduction Form
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Contract/Agreement
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

#### OTHER (Use back side if additional space is needed)

<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>OCA Presentation 1/22/2025</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Presidential Action Memo – Temp Assignment – BFC 1/22/2025</u>
<input type="checkbox"/>	<input type="checkbox"/>	<u> </u>
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Completed by: Brent Jalipa Date January 16, 2025

Completed by: Brent Jalipa Date January 23, 2025

1 [Agreement - Agurto Corporation, dba Pestec - Integrated Pest Management Services - Not to  
2 Exceed \$15,500,000]

3 **Resolution approving the Agreement between the City, acting by and through the**  
4 **Office of Contract Administration, and Agurto Corporation, dba Pestec, for integrated**  
5 **pest management services, for a term of five years from February 15, 2025, through**  
6 **February 14, 2030, and for a total not to exceed amount of \$15,500,000; and to authorize**  
7 **the Office of Contract Administration to make necessary, non-material changes to the**  
8 **Agreement prior to its final execution by all parties that do not materially increase the**  
9 **obligations or liabilities to the City and are necessary or advisable to effectuate the**  
10 **purposes of the Agreement.**

11  
12 WHEREAS, On August 8, 2024, the Office of Contract Administration issued Request  
13 for Proposals ("RFP") under Sourcing Event 0000009817 for integrated pest management  
14 services; and

15 WHEREAS, Pestec was deemed the only and highest ranked proposer in response to  
16 the RFP; and

17 WHEREAS, Pestec will provide IPM Services for property owned or leased by City; and

18 WHEREAS, Charter, Section 9.118(b), requires Board of Supervisors' approval by  
19 Resolution of any contract which, when entered into, extends over 10 years, and of any  
20 contract which, when entered into, costs the City \$10,000,000 or more; and

21 WHEREAS, The proposed Agreement contained in File No. 241152, is substantially in  
22 final form, with all material terms and conditions included, and only remains to be executed by  
23 the parties upon approval of this Resolution; now, therefore, be it  
24  
25

1           RESOLVED, That the Board of Supervisors hereby approves the Agreement in  
2 substantially the form contained in File No. 241152; and, be it

3           FURTHER RESOLVED, That the Board of Supervisors authorizes the Office of  
4 Contract Administration to make any modifications to the Agreement, prior to its final  
5 execution by all parties, that the Office of Contract Administration determines, in consultation  
6 with the City Attorney, are consistent with this Resolution, in the best interest of the City, do  
7 not materially increase the obligations or liabilities of the City, are necessary or advisable to  
8 effectuate the purposes of the Agreement, and are in compliance with all applicable laws,  
9 including City's Charter; and, be it

10          FURTHER RESOLVED, That within 30 days of the Agreement being fully executed by  
11 all parties, the Office of Contract Administration shall submit to the Clerk of the Board of  
12 Supervisors a completely executed copy for inclusion in File No. 241152; this requirement and  
13 obligation resides with the Department, and is for purposes of having a complete file only, and  
14 in no manner affects the validity of approved Agreement.

<b>Item 7</b> <b>File 24-1152</b>	<b>Department:</b> Office of Contract Administration
<b>EXECUTIVE SUMMARY</b>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>The proposed resolution approves a new five-year contract between the Office of Contract Administration (OCA) and Agurto Corporation (dba Pestec) for Integrated Pest Management (IPM) services. The contract has a not-to-exceed (NTE) amount of \$15,500,000, including a 15% contingency, and runs from February 15, 2025, to February 14, 2030.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>OCA issued a Request for Proposals (RFP) in August 2024 for IPM services. Pestec was the sole respondent, scoring 234.9 out of 250 possible points based on price proposals, written responses to technical questions, and oral interviews with a site evaluation.</li> <li>The contract covers Structural IPM Services (e.g., pest control in buildings) and Public Health IPM Services (e.g., addressing mosquitoes and rodents). Service categories include short-term, ongoing, emergency services, and consulting or training.</li> <li>Pestec will charge hourly rates for services, with rates varying by infrastructure type (SFPUC and non-SFPUC infrastructure) and service category. Adjustments to pricing may be requested annually based on the Consumer Price Index.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>Annual spending under this contract aligns with historical trends, which averaged \$3 million annually across City departments. The contract will be funded by individual departmental budgets.</li> </ul> <p style="text-align: center;"><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>Approve the proposed resolution.</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) any modification to such contracts of more than \$500,000 is subject to Board of Supervisors approval.

**BACKGROUND****Integrated Pest Management**

San Francisco Environment Code Chapter 3 governs pest management practices on all City-owned . It covers any unwanted insects, rodents, birds, weeds, or other organisms across San Francisco's extensive network of public buildings, including hospitals, government offices, and utility infrastructure. The Code generally requires the City to minimize use of pesticides (unless approved by the Department of the Environment), apply natural biological processes to pest management (such as traps, use of predators, and changes to ecosystems), and monitor and evaluate pest treatment effectiveness. Each City Department is required to develop its own Integrated Pest Management policy within those guidelines, submit those policies to the Department of Environment for review and approval, and keep records of all pest management activities. Finally, any entity that contracts with the City must also keep records of their pesticide use and pest management activities.

**Current IPM Contracts**

According to the Office of Contract Administration, between 2021 and 2023, City departments spent approximately \$9.3 million for pest management services, averaging \$3 million annually. Nearly 90% of this spending occurred through term contracts established by the Office of Contract Administration (OCA). The largest users of these services include the Public Utilities Commission (PUC), the Municipal Transportation Agency (MTA), and the Department of Public Health (DPH) which constitute 75 percent of total City spending.

OCA maintains only one city-wide contract for Citywide pest management services. The City's current contract for pest management services is with Agurto Corporation (doing business as Pestec). This agreement, managed by OCA, began on October 1, 2021, and expired on December 31, 2024.

**Procurement Process For Proposed New Contract**

On August 8, 2024, OCA issued a Request for Proposals to secure a new contract for IPM services. The proposals were evaluated by a panel including one Integrated Pest Management Specialist from the Recreation and Park Department, one Integrated Pest Management Specialist from the Public Utilities Commission, and one Project Manager from the Airport.

Pestec was the only respondent and received the highest evaluation, earning 235 out of a possible 250 points, as demonstrated below in Exhibit 1.

**Exhibit 1: RFP Scores**

<b>Evaluation Phase</b>	<b>Maximum Points</b>	<b>Score Received</b>
Minimum Qualifications Documentation	Pass/Fail	Pass
Price Proposal	100 Points	100 Points
Written Proposal	120	110.9
Oral Interviews	30	24
<b>Total</b>	<b>250 Points</b>	<b>234.9 Points</b>

Source: OCA

Minimum Qualifications refers to the proposer having the proper IPM licenses and certifications, having had at least 5 years' experience as an IPM business, and having responded properly to the City's required proposer documentation (questionnaire, written proposal, price proposal).

The price proposal section gave points to each proposer based on Proposer's Total Proposed Price compared to the Lowest Total Proposed Price.

The written proposal required proposers to respond to 13 detailed questions addressing their qualifications, experience, methodologies, and compliance. Key areas assessed included company profile, past project examples, compliance with state regulations, training and safety programs, equipment, reporting capabilities, and specific scenarios like pest management in office buildings and SRO hotels. Responses were evaluated on a 120-point scale, with a minimum score of 95 points required to qualify for oral interviews, based on the quality and completeness of responses.

The oral interview consisted of a site visit evaluation where proposers conducted a pest inspection at a City location with an existing pest issue. Proposers were required to prepare a Sample Integrated Pest Management (IPM) Plan based on their findings, which was reviewed and scored by the Evaluation Panel, alongside their on-site performance and responses to panel questions.

### **DETAILS OF PROPOSED LEGISLATION**

The proposed resolution would approve a new contract between the Office of Contract Administration and Agurto Corporation (dba Pestec). The contract has a five-year term, from February 15, 2025 to February 14, 2030 and no options to extend the term. The contract has a not to exceed spending amount is \$15,500,000. The proposed resolution also authorizes OCA to amend the contract so long as the amendments do not increase liabilities of the City.

**Local Business Enterprise Subcontracting Requirement**

Since this is a contract for Services, the Local Business Enterprise subcontracting participation requirement would typically apply. However, the requirement has been waived because requiring the prime contractor to subcontract would undermine the accuracy, consistency, and effectiveness of the pest management services, and there are not enough qualified local businesses to fulfill the scope of work.

**Scope of Work**

Pestec will provide IPM services for City-owned or leased properties. The City's IPM Program encompasses Structural IPM Services and Public Health IPM Services. Structural IPM focuses on preventing, controlling, or eliminating pests that may invade properties, including insects, rodents, and birds. Public Health IPM targets pests that pose health hazards or may spread disease, such as mosquitoes, feral cats, and dead animals.

The contract includes four service categories:

Category 1: Short-Term IPM Services address minor pest issues, typically resolved within one or two visits.

Category 2: Ongoing IPM Services are designed for chronic or complex pest problems, such as those in larger facilities requiring regular pest management.

Category 3: Emergency IPM Services cover urgent pest issues requiring immediate action and are distinct from routine follow-up visits under the contract.

Category 4: IPM Meetings, Consulting, and Training Services require Pestec to provide four hours per month of complimentary IPM meetings, consulting, or training. This includes one 2-hour IPM Technical Advisory Committee meeting per month, led by the SFE IPM Program Manager, and participate in quarterly meetings with key staff from SFPUC and the Department of Public Health to evaluate the effectiveness of treatments, discuss product rotations and less toxic alternatives, and plan future IPM strategies. Unused hours cannot carry over to subsequent months, and any additional time is billed at the applicable hourly rate.

**Pricing**

Pestec's pricing is billed hourly, with the first hour calculated as a full hour and subsequent time billed in 30-minute increments. Rates are categorized based on the type of infrastructure and category of service provided.

The scope of work (SOW) and pricing for SFPUC infrastructure differs significantly from the Non-SFPUC SOW. For example, SFPUC treatment sites primarily include sewers, catch basins, and other utility infrastructure, while Non-SFPUC sites are mainly commercial buildings. Additionally, the contractor may bill the City for travel time when performing Service Category 2 services under the SFPUC SOW, but such billing is not permitted under any Service Category for Non-SFPUC work.

For Non-SFPUC infrastructure, the hourly rates are as follows:

Category 1: \$230

Category 2: \$195

Category 3: \$260

Category 4: \$250

For SFPUC infrastructure, the rates are:

Category 1: \$180

Category 2: \$180

Category 3: \$260

Category 4: \$250

In addition to hourly service rates, Pestec may charge the City 20% above its cost for materials and supplies associated with Service Categories 1, 2, and 3.

Pestec may request price adjustments beginning 12 months after the Proposal Due Date of September 9, 2024, and annually thereafter. Any request must be supported by the U.S. Department of Labor's Consumer Price Index for Urban Wage Earners and Clerical Workers available at the time of the request.

### **Historical Performance**

As this contract falls under General Services (per Administrative Chapter 21), formal performance reviews are not required. Oversight is generally shared between OCA, which manages the contract terms, and the Department of Environment (ENV), which ensures that services align with ENV's requirements. In the event of a performance failure, the responsible department will notify OCA or DOE, and the issue will be addressed accordingly.

The Department of Environment's Integrated Pest Management Program has been under the supervision of Shoba Lyer for approximately one year. According to Shoba Lyer, there have been no reported performance failures by Pestec under their existing contract.

### **Contract Compliance and Penalty Structure**

Appendix C of the proposed contract includes performance metrics for the contractor, specifying performance failures and associated penalties. Failures include not meeting response times, incomplete deliverables, billing inaccuracies, and violations of pesticide use or record-keeping requirements. Penalties vary based on severity and frequency: minor issues, like billing errors or incomplete deliverables, incur \$25 per incident, while more serious infractions, such as failure to follow professional standards or improper pesticide use, result in fines of up to \$300 per occurrence. For ongoing violations, such as delayed record submissions, daily penalties of \$25 per day may apply. Thresholds for allowable performance failures range from one to three incidents per contract before penalties are triggered.



**FISCAL IMPACT**

The proposed contract with Pestec has a Total Bid Price of \$2,681,691 per year over a 5-year duration. This results in an initial not-to-exceed (NTE) amount of \$13,408,456, with an additional 15% contingency of \$2,011,268, bringing the total estimated NTE to \$15,419,725 (rounded to \$15,500,000). The NTE calculations are demonstrated below in Exhibit 2.

**Exhibit 2: Total NTE Calculations**

Category	Amount
Annual Total Bid Price	\$2,681,691
Contract Duration (Years)	5
Subtotal	13,408,456
Contingency (15%)	2,011,268
Total Estimated Spending	15,419,725
<b>Total (rounded)</b>	<b>\$15,500,000</b>

Source: OCA

This amount aligns closely with historical spending trends under previous pest management agreements, which averaged approximately \$3 million annually. The breakdown of Annual Total Bid Price is demonstrated below in Exhibit 3.

**Exhibit 3: Breakdown of Annual Total Bid Price**

Location	Service Type	Amount
Non-SFPUC Infrastructure	Short-Term IPM Services	\$288,100
	Ongoing IPM Services	1,300,686
	Emergency IPM Services	275,057
SFPUC Infrastructure	Short-Term IPM Services	612,063
	Ongoing IPM Services	116,906
	Emergency IPM Services	3,120
Both	Meetings, Consulting, Training	17,500
Both	Supplies	68,259
<b>Total</b>		<b>\$2,681,691</b>

Source: OCA

**Funding Source**

Funding for this contract will come from individual department budgets.

**RECOMMENDATION**

Approve the proposed resolution.

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division  
City Hall, Room 430  
1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102-4685**

**Agreement between the City and County of San Francisco  
and  
Agurto Corporation, dba Pestec**

**OCA Contract ID: TC83592  
PeopleSoft Contract ID: 1000034718**

This Agreement is made this 15<sup>th</sup> day of February, 2025, in the City and County of San Francisco (“City”), State of California, by and between Agurto Corporation, dba Pestec (“Contractor”) and City.

**Recitals**

WHEREAS, the Office of Contract Administration (“Department”) wishes to procure on behalf of all City Departments, Integrated Pest Management Services from Contractor; and

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

WHEREAS, Contractor was competitively selected pursuant to a Request for Proposals (“RFP”) entitled Integrated Pest Management Services for Property Owned and/or Leased by the City and County of San Francisco issued through Sourcing Event ID 0000009817 and

WHEREAS, this is a contract for Services and the Local Business Enterprise (“LBE”) subcontracting participation requirement for the Services has been waived pursuant to waiver CMD14B0003691; and

WHEREAS, approval for the Agreement was obtained from the Civil Service Commission under PSC number DHRPSC0004705 in the amount of \$15,000,000 for the period of 5 years; and

WHEREAS, the Department has filed Ethics Form 126f2 (Notice of Submission of Proposal) because this Agreement has a value of \$100,000 or more in a fiscal year and will require the approval of the Board of Supervisors; and

WHEREAS, the Department has filed Ethics Form 126f4 (Notification of Contract Approval) because this Agreement has a value of \$100,000 or more in a fiscal year and will require the approval of the Board of Supervisors; and

WHEREAS, the City’s Board of Supervisors approved this Agreement by [\[insert resolution number\]](#) on [\[insert date of Commission or Board action\]](#) in the amount of 15,500,000 for the period commencing February 15, 2025 and ending February 14, 2030; and

Now, THEREFORE, the parties agree as follows:

**Article 1 Definitions**

The following definitions apply to this Agreement:

1.1 “Agreement” means this contract document, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements specifically incorporated into this Agreement by reference as provided herein.

1.2 “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 or the Director’s designated agent, hereinafter referred to as “Purchasing”.

1.3 “City Data” means that data as described in Article 13 of this Agreement which includes, without limitation, all data collected, used, maintained, processed, stored, or generated by or on behalf of City in connection with this Agreement. City Data includes, without limitation, Confidential Information.

1.4 “CMD” means the Contract Monitoring Division of the City.

1.5 “Confidential Information” means confidential City information including, but not limited to, personal 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”). Confidential Information includes, without limitation, City Data.

1.6 “Contractor” means Agurto Corporation, dba Pestec, located at 3450 3<sup>rd</sup> Street, Suite 3F, San Francisco, CA 94124.

1.7 “Deliverables” means Contractor’s or its subcontractors’ work product, including any partially-completed work product and related materials, resulting from the Services 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.

1.8 “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.

1.9 “Party” and “Parties” means the City and Contractor either individually or collectively.

1.10 “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.

## **Article 2      Term of the Agreement**

2.1 **Term.** The term of this Agreement shall commence on February 15, 2025 and expire on February 14, 2030, unless earlier terminated as otherwise provided herein.

2.2 **Reserved.**

2.3 **Reserved.**

### **Article 3 Financial Matters**

#### **3.1 Certification of Funds; Budget and Fiscal Provisions.**

3.1.1 **Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of Section 3.105 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.

3.1.2 **Maximum Costs.** City's payment obligation to Contractor cannot at any time exceed the amount certified by City's Controller for the purpose and period stated in such certification. Absent an authorized emergency per the City Charter or applicable Code, no City representative is authorized to offer or promise, nor is City required to honor, any offered or promised payments to Contractor under this Agreement in excess of the certified maximum amount without the Controller having first certified the additional promised amount and the Parties having modified this Agreement as provided in Section 11.5, "Modification of this Agreement."

3.2 **Authorization to Commence Work.** City Departments shall order goods and/or services through the issuance of individual Purchase Orders which shall be released against this Agreement during the contract term. Once a Purchase Order has been issued, the Contractor may perform the services requested by the ordering Department and, upon completing the services, submit an invoice to the ordering Department. Contractor shall not commence any work under this Agreement until City has issued formal written authorization to proceed, such as a purchase order, task order or notice to proceed. Such authorization may be for a partial or full scope of work.

#### **3.3 Compensation.**

3.3.1 **Calculation of Charges and Contract Not to Exceed Amount.** The amount of this Agreement shall not exceed Fifteen Million five hundred thousand Dollars (\$15,500,000), the breakdown of which appears in Appendix B, "Calculation of Charges." City shall not be liable for interest or late charges for any late payments. City will not honor minimum service order charges for any Services covered by this Agreement.

3.3.2 **Payment Limited to Satisfactory Services.** Contractor is not entitled to any payments until City approves the Services delivered. Payments to Contractor by City shall not excuse Contractor from its obligation to replace the unsatisfactory Services even if the unsatisfactory character was apparent or could have been detected at the time such payment was made. Non-conforming Services may be rejected by City and in such case must be replaced by Contractor without delay at no cost to City.

3.3.3 **Withhold Payments.** If Contractor fails to provide the Services in accordance with Contractor's obligations under this Agreement, City may withhold any and all payments due to Contractor until such failure to perform is cured, and Contractor shall not stop work as a result of City's withholding of payments as provided herein.

3.3.4 **Invoice Format.** Invoices submitted by Contractor under this Agreement must be in a form acceptable to the Controller and City and include a unique invoice number and a specific invoice date. Payment shall be made by City as specified in Section 3.3.8, or in such alternate manner as the Parties have mutually agreed upon in writing. **All invoices must show the PeopleSoft Purchase Order ID, PeopleSoft Supplier Name and ID, complete description of the Services delivered, sales/use tax (if applicable), unit cost, unit of measure, quantities, extended cost, and contract payment terms.** Invoices that do not include all required information or contain inaccurate information will not be processed for payment.

3.3.5 **Reserved.**

3.3.6 **Getting paid by City for Services.**

(a) City utilizes a commercial product through its banking partner to pay City contractors electronically. Contractors shall sign up to receive electronic payments to be paid under this Agreement. To sign up for electronic payments, visit [SF City Partner at sfgov.org](https://sfcitypartner.sfgov.org).

(b) At the option of City, Contractor may be required to submit invoices directly in the City's financial and procurement system. Refer to <https://sfcitypartner.sfgov.org/pages/training.aspx> for more information.

3.3.7 **Reserved.**

3.3.8 **Payment Terms.**

(a) **Payment Due Date:** Unless City notifies the Contractor that a dispute exists, Payment shall be made within 30 calendar days, measured from (1) the rendering of the Services or (2) the date of receipt of the invoice, whichever is later. Payment is deemed to be made on the date City issued a check to Contractor or, if Contractor has agreed to electronic payment, the date City posted electronic payment to Contractor.

(b) **Reserved.**

3.4 **Audit and Inspection of Records.** Contractor agrees to maintain and make available to City, during regular business hours, accurate books and accounting records relating to its Services. Contractor will permit City to audit, examine and make copies of 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 as conferred upon City by this Section. Contractor shall include the same audit and inspection rights and record retention requirements in all subcontracts.

3.5 **Submitting False Claims.** The full text of San Francisco Administrative Code Section 21.35, including the enforcement and penalty provisions, is incorporated into this Agreement. Any contractor or subcontractor who submits a false claim shall be liable to City for the statutory penalties set forth in that section.

3.6 **Reserved.**

3.7 **Reserved.**

## **Article 4 Services**

4.1 **Reserved.**

4.2 **Term Agreement – Indefinite Quantities.** This is a term, indefinite quantities Agreement to supply the Services identified in this Agreement. Unless otherwise specified herein, Services will be required in quantities and at times as ordered during the period of the Agreement. Estimated Services are approximate only. City, in its sole discretion, may purchase any greater or lesser quantity. Purchasing may also make purchases from other suppliers when Purchasing determines, in its sole discretion, that the City has an immediate need for the Services or that it is not practical to purchase against this Agreement. City will not honor minimum order charges under this Agreement.

4.3 **Qualified Personnel.** Contractor represents and warrants that it is qualified to perform the Services required by City, and that all Services will be performed by competent personnel with the degree of skill and care required by current and sound professional procedures and practices. Contractor will comply with City's reasonable requests regarding assignment and/or removal of personnel, but all personnel, including those assigned at City's request, must be supervised by Contractor. Contractor shall commit sufficient resources for timely completion within the project schedule.

4.4 **Services.**

4.4.1 **Awarded Services.** Contractor agrees to perform the Services stated in Appendix A, "Scope of Services." Officers and employees of the City are not authorized to request and City is not required to compensate for Services beyond those stated. If, during the term of the Agreement, a contract service is determined to be unacceptable for a particular department, and such is documented by Purchasing, Contractor agrees that the service will be canceled and removed from the Agreement without penalty to City. City's sole obligation to Contractor is payment for Services performed prior to the cancellation date. City shall give Contractor ten (10) days' notice prior to any cancellation. City will contract for the required service from any source and in the manner as determined by Purchasing. Contractor must notify Purchasing in writing, which can include email, certified mail, or other trackable mail, thirty (30) days in advance of any changes in the Services required in the Agreement. Any changes made without the approval of Purchasing will constitute a Default.

4.4.2 **Subcontracting.** Contractor may subcontract portions of the Services only upon prior written approval of City. Contractor is responsible for its subcontractors

throughout the course of the work required to perform the Services. All subcontracts must incorporate the terms of Article 10 “Additional Requirements Incorporated by Reference” of this Agreement, unless inapplicable. Neither Party shall, on the basis of this Agreement, contract on behalf of, or in the name of, the other Party. Any agreement made in violation of this provision shall be null and void.

#### **4.4.3 Independent Contractor; Payment of Employment Taxes and Other Expenses.**

(a) **Independent Contractor.** For the purposes of this Section 4.4, “Contractor” shall be deemed to include not only Contractor, but also any agent or employee of Contractor. Contractor acknowledges and agrees that at all times, Contractor is an independent contractor and is wholly responsible for the manner and means by which it performs the Services and work required under this Agreement. Contractor, and its agents and employees, will not represent or hold themselves out to be employees of City at any time. Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by the City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor is liable for its acts and omissions. 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 of its agents or employees. Contractor agrees to maintain and make available to City, upon request and during regular business hours, accurate books and accounting records demonstrating Contractor’s compliance with this Section. Should City determine that Contractor is not performing in accordance with the requirements of this Section, City shall provide Contractor with written notice of such failure. Within five (5) business days of Contractor’s receipt of such notice, and in accordance with Contractor policy and procedure, Contractor shall remedy the deficiency. Notwithstanding, if City believes that an action of Contractor warrants immediate remedial action by Contractor, City shall contact Contractor and provide Contractor in writing with the reason for requesting such immediate action.

(b) **Payment of Employment 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 this Section 4.4 shall be solely limited to 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, Contractor agrees to indemnify and hold harmless City and its



officers, agents and employees from, and, if requested, shall defend them against any and all claims, losses, costs, damages, and expenses, including attorneys' fees, arising from this Section.

**4.4.4 Reserved.**

**4.5 Reserved.**

**4.6 Assignment.** The Services to be performed by Contractor are personal in character. This Agreement may not be directly or indirectly assigned, novated, or otherwise transferred unless first approved by City by written instrument executed and approved in the same manner as this Agreement. Any purported assignment made in violation of this provision shall be null and void.

**4.7 Reserved.**

**4.8 Reserved.**

**4.9 Fidelity Bond.** Contractor shall maintain throughout the term of this Agreement, at no expense to City, a blanket fidelity bond or a blanket crime policy (Employee Dishonesty Coverage) covering all officers and employees in an amount of not less than **\$50,000** with any deductible not to exceed **\$5,000** and including City as additional obligee or loss payee as its interest may appear.

**4.10 Emergency - Priority 1 Service.** In case of an emergency that affects any part of the San Francisco Bay Area, Contractor will give City Priority 1 service with regard to the Services procured under this Agreement unless preempted by State and/or Federal laws. Contractor will make every good faith effort in attempting to deliver Services using all modes of transportation available. In addition, Contractor shall charge fair and competitive prices for Services ordered during an emergency and not covered under the awarded Agreement.

**4.11 Annual Usage Reports by Contractor.**

**4.11.1** Annually no later than February 15 and upon request, Contractor shall prepare and submit to City an electronic report in Microsoft Excel or CSV format identifying the Services rendered under this Agreement ("Usage Report").

**4.11.2** The Usage Report must detail all Services performed by Contractor as of the Contract start date through December of the calendar year directly preceding the date of the report.

**4.11.3** The Usage Report shall include, at a minimum, the following data:

- (1) Name of City department issuing the Purchase Order
- (2) Purchase Order ID
- (3) Invoice Number and Date
- (4) Itemized list of all Services delivered, including the date on which the service was performed, detailed description of the Services, unit cost, quantity, unit of measure, and extended cost. Multiple Services listed under one invoice must be listed on separate lines.

Sample Usage Report (Services)
--------------------------------

Ordering City Department	Purchase Order ID	Invoice Number	Invoice Date	Service Date	Services Description	Unit Cost	Qty	Unit of Measure	Extended Cost

4.11.4 Upon request, Contractor must also furnish a separate Usage Report for Services delivered to City which are not part of this Agreement.

4.11.5 Contractor shall email is Usage Reports to [OCAVendor.Reports@sfgov.org](mailto:OCAVendor.Reports@sfgov.org).

4.11.6 Any report files larger than 10MB must be submitted in electronic format on USB drive and mailed to the address shown below with the term Agreement number and “Annual Supplier Reporting” clearly marked on the envelope/packaging. Contractor shall mail the reports to:

OCA Supplier Reporting  
Re: Term Contract No. 83592  
City and County of San Francisco  
Office of Contract Administration – Purchasing  
City Hall, Room 430  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4685

4.11.7 City reserves the right to terminate this Agreement if information requested from and submitted by Contractor fails to satisfy City and/or Contractor is unable to provide the information and/or documentation within the period requested.

## **Article 5 Insurance and Indemnity**

### **5.1 Insurance.**

5.1.1 **Required Coverages.** 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:

(a) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations.

(b) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence, “Combined Single Limit” for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(c) Workers’ Compensation Liability Insurance, in statutory amounts, with Employers’ Liability Limits not less than \$1,000,000 each accident, injury, or illness.

(d) Reserved.

(e) Reserved.

(f) Pollution Liability Insurance applicable to Contractor's activities and responsibilities under this Agreement with limits not less than \$1,000,000 each occurrence combined single limit, including coverage for on-site third-party claims for bodily injury and property damage.

#### 5.1.2 Additional Insured

(a) The Commercial General Liability Insurance policy must include as Additional Insured the City and County of San Francisco, and its Officers, Agents, and Employees.

(b) The Commercial Automobile Liability Insurance policy must include as Additional Insured the City and County of San Francisco, and its Officers, Agents, and Employees.

(c) The Commercial Automobile Liability Insurance policy include (i) Auto Pollution Additional Insured Endorsement naming as Additional Insured the City and County of San Francisco, and its Officers, Agents, and Employees.

5.1.3 **Waiver of Subrogation.** The Workers' Compensation Liability Insurance policy(ies) shall include a waiver of subrogation in favor of City for all work performed by the Contractor, and its employees, agents and subcontractors.

#### 5.1.4 Primary Insurance.

(a) The Commercial General Liability Insurance policy shall provide 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 the insurance applies separately to each insured against whom claim is made or suit is brought.

(b) The Commercial Automobile Liability Insurance policy shall provide 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 the insurance applies separately to each insured against whom claim is made or suit is brought.

(c) The Pollution Liability Insurance policy shall provide 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 the insurance applies separately to each insured against whom claim is made or suit is brought.

#### 5.1.5 Other Insurance Requirements

(a) Thirty (30) days' advance written notice shall be provided to City of cancellation, intended non-renewal, or reduction in coverages, except for non-payment for which no less than ten (10) days' notice shall be provided to City. Notices shall be sent to City address set forth in Section 11.1 entitled, "Notices to the Parties."

(b) 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, be maintained for a period of three (3) years beyond the expiration of this Agreement, to the effect that, should occurrences during the Agreement term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

(c) 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.

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

(e) Before commencing any Services, Contractor shall furnish to City certificates of insurance including additional insured and waiver of subrogation status, as required, 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. Approval of the insurance by City shall not relieve or decrease Contractor's liability hereunder.

(f) If Contractor will use any subcontractor(s) to provide Services, Contractor shall require the subcontractor(s) to provide all necessary insurance and to name the City and County of San Francisco, and its officers, agents, and employees, and the Contractor as additional insureds and waive subrogation in favor of City, where required.

## **5.2 Indemnification.**

5.2.1 Contractor shall indemnify and hold harmless City and its officers, agents and employees from, and, if requested, shall defend them from and against any and all liabilities (legal, contractual, or otherwise), losses, damages, costs, expenses, or claims for injury or damages (collectively, "Claims"), arising from or in any way connected with Contractor's performance of the Agreement, including but not limited to, any: (i) injury to or death of a person, including employees of City or Contractor; (ii) loss of or damage to property; (iii) violation of local, state, or federal common law, statute or regulation, including but not limited to privacy or personal identifiable information, health information, disability and labor laws or regulations; (iv) strict liability imposed by any law or regulation; or (v) losses arising from Contractor's execution of subcontracts not in accordance with the requirements of this Agreement applicable to subcontractors; except to the extent such indemnity is void or otherwise unenforceable under applicable law, and except where such Claims are the result of the active negligence or willful misconduct of City and are 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, experts and related costs, and City's costs of investigating any claims against City.

5.2.2 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.

5.2.3 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 arising directly or indirectly from the receipt by City, or any of its officers or agents, of Contractor's Services.

5.2.4 Under no circumstances will City indemnify or hold harmless Contractor.

## **Article 6 Liability of the Parties**

6.1 **Liability of City.** CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 3.3.1, "PAYMENT," 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.

6.2 **Liability for Use of Equipment.** The city shall not be liable for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or any of its subcontractors, or by any of their employees, even though such equipment is furnished, rented or loaned by City.

6.3 **Liability for 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.

## **Article 7 Payment of Taxes**

7.1 **Contractor to Pay All Taxes.** Except for any applicable California sales and use taxes charged by Contractor to City, Contractor shall pay all taxes, including possessory interest taxes levied upon or as a result of this Agreement, or the Services delivered pursuant hereto. Contractor shall remit to the State of California any sales or use taxes paid by City to Contractor under this Agreement. Contractor agrees to promptly provide information requested by City to verify Contractor's compliance with any State requirements for reporting sales and use tax paid by City under this Agreement.

7.2 **Possessory Interest Taxes.** Contractor acknowledges that this Agreement may create a "possessory interest" for property tax purposes. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to timely report on behalf of City to the County Assessor the information required by San Francisco Administrative Code Section 23.39, as amended from time to time, and any successor provision. Contractor further agrees to provide such other information as may be requested by City to enable City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

7.3 **Withholding.** Contractor agrees that it is obligated to pay all amounts due to 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 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.

## **Article 8 Termination and Default**

### **8.1 Termination for Convenience**

8.1.1 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 (“Notice of Termination”). The Notice of Termination shall specify the date on which termination of the Agreement shall become effective (“Termination Date”).

8.1.2 Upon receipt of the Notice of Termination, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to affect the termination of this Agreement on the Termination Date and to minimize the liability of Contractor and City to third parties as a result of the termination. All such actions shall be subject to the prior approval of City. Such actions may include any or all of the following, without limitation:

- (a) Completing performance of any Services that City requires Contractor to complete prior to the Termination Date.
- (b) Halting the performance of all Services on and after the Termination Date.
- (c) Cancelling all existing orders and subcontracts by the Termination Date, and not placing any further orders or subcontracts for materials, Services, equipment or other items.
- (d) At City’s direction, assigning to City any or all of Contractor’s right, title, and interest under the orders and subcontracts cancelled. Upon such assignment, City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the cancellation of such orders and subcontracts.
- (e) Subject to City’s approval, settling all outstanding liabilities and all claims arising out of the cancelled orders and subcontracts.
- (f) Taking such action as may be necessary, or as 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.

8.1.3 Within 30 days after the Termination Date, Contractor shall submit to City an invoice, which shall set forth each of the following as a separate line item:

- (a) The reasonable cost to Contractor, without profit, for all Services provided prior to the Termination Date, for which City has not already made payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor’s direct costs for Services. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.
- (b) A reasonable allowance for profit on the cost of the Services described in the immediately preceding subsection (a), provided that Contractor can establish, to

the satisfaction of City, that Contractor would have made a profit had all Services under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(c) The reasonable cost to Contractor of handling and returning material or equipment delivered to City or otherwise disposed of as directed by City.

(d) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of such materials and not otherwise recovered by or credited to City, and any other appropriate credits to City against the cost of the Services or other work.

8.1.4 In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the Termination Date, except for those costs specifically listed in Section 8.1.3. Such non-recoverable costs include, but are not limited to, anticipated profits on the Services under 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 Section 8.1.3.

8.1.5 In arriving at the amount due to Contractor under this Section, City may deduct: (i) all payments previously made by City for Services covered by Contractor's final invoice; (ii) any claim which City may have against Contractor in connection with this Agreement; (iii) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection 8.1.4; and (iv) in instances in which, in the opinion of City, the cost of any Service performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected Services, the difference between the invoiced amount and City's estimate of the reasonable cost of performing the invoiced Services in compliance with the requirements of this Agreement.

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

## 8.2 Termination for Default; Remedies.

8.2.1 Each of the following shall constitute an immediate 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:

3.5	Submitting False Claims.	10.10	Alcohol and Drug-Free Workplace
4.6	Assignment	10.13	Reserved
Article 5	Insurance and Indemnity	11.10	Compliance with Laws
Article 7	Payment of Taxes	Article 13	Data and Security

(b) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, including any obligation imposed by ordinance or statute and incorporated by reference herein, and such default is not cured within

ten days after written notice thereof from City to Contractor. If Contractor defaults a second time in the same manner as a prior default cured by Contractor, City may in its sole discretion immediately terminate the Agreement for default or grant an additional period not to exceed five days for Contractor to cure the default.

(c) Contractor (i) is generally not paying its debts as they become due; (ii) 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; (iii) makes an assignment for the benefit of its creditors; (iv) 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 (v) takes action for the purpose of any of the foregoing.

(d) A court or government authority enters an order (i) 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; (ii) constituting an order for relief or approving a petition for relief, 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 (iii) ordering the dissolution, winding-up or liquidation of Contractor.

**8.2.2 Default Remedies.** 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, where applicable, 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: (i) all damages, losses, costs or expenses incurred by City as a result of an Event of Default; and (ii) any liquidated damages levied upon Contractor pursuant to the terms of this Agreement; and (iii), any damages imposed by any ordinance or statute that is incorporated into this Agreement by reference, or into any other agreement with City.

**8.2.3** 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. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

**8.2.4** Any notice of default must be sent in accordance with Article 11.

**8.3 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.

**8.4 Rights and Duties upon Termination or Expiration.**



8.4.1 This Section and the following Sections of this Agreement listed below, shall survive termination or expiration of this Agreement:

3.3.2	Payment Limited to Satisfactory Services	8.2.2	Default Remedies
3.3.7(a)	Grant Funded Contracts – Disallowance	9.1	Ownership of Results
3.4	Audit and Inspection of Records	9.2	Works for Hire
3.5	Submitting False Claims	11.7	Agreement Made in California; Venue
Article 5	Insurance and Indemnity	11.8	Construction
6.1	Liability of City	11.9	Entire Agreement
6.3	Liability for Incidental and Consequential Damages	11.10	Compliance with Laws
Article 7	Payment of Taxes	11.11	Severability
8.1.6	Payment Obligation	Article 13	Data and Security

8.4.2 Subject to the survival of the Sections identified in Section 8.4.1, above, if this Agreement is terminated prior to expiration of the term specified in Article 2, this Agreement shall 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.

## **Article 9 Rights in Deliverables**

9.1 **Ownership of Results.** Any interest of Contractor or its subcontractors in the Deliverables, any partially-completed Deliverables, and related materials, shall become the property of and will be transmitted to City. Unless expressly authorized in writing by City, Contractor may not retain and use copies for reference and as documentation of its experience and capabilities.

9.2 **Works for Hire.** All copyrights in Deliverables that are considered works for hire under Title 17 of the United States Code, shall be the property of City. If any such Deliverables are ever determined not to be works for hire under federal law, Contractor hereby assigns all Contractor's copyrights to such Deliverables to City, agrees to provide any material and execute any documents necessary to effectuate such assignment, and agrees to include a clause in every subcontract imposing the same duties upon its subcontractors. With City's prior written approval, Contractor and its subcontractors may retain and use copies of such works for reference and as documentation of their respective experience and capabilities provided that any such use is in conformance with the confidentiality provisions of this Agreement.

## **Article 10 Additional Requirements Incorporated by Reference**

10.1 **Laws Incorporated by Reference.** The full text of the laws listed in this Article 10, including enforcement and penalty provisions, are incorporated by reference into this Agreement. The full text of the San Francisco Municipal Code provisions incorporated by

reference in this Article and elsewhere in the Agreement (“Mandatory City Requirements”) are available at [http://www.amlegal.com/codes/client/san-francisco\\_ca/](http://www.amlegal.com/codes/client/san-francisco_ca/).

**10.2 Conflict of Interest.** By executing this Agreement, Contractor certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City’s Charter; Article III, Chapter 2 of City’s Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 *et seq.*); or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 *et seq.*), and further agrees promptly to notify City if it becomes aware of any such fact during the term of this Agreement.

**10.3 Prohibition on Use of Public Funds for Political Activity.** In performing the Services, Contractor shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by City for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Contractor is subject to the enforcement and penalty provisions in Chapter 12G.

**10.4 Consideration of Salary History.** Contractor shall comply with San Francisco Labor and Employment Code Article 141, 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 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 Article 141. Information about and the text of Article 141 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 Article 141, irrespective of the listing of obligations in this Section.

**10.5 Nondiscrimination Requirements.**

**10.5.1 Nondiscrimination in Contracts.** Contractor shall comply with the provisions of San Francisco Labor and Employment Code Articles 131 and 132. Contractor shall incorporate by reference in all subcontracts the provisions of Sections 131.2(a), 131.2(c)-(k), and 132.3 of the San Francisco Labor and Employment Code and shall require all subcontractors to comply with such provisions. Contractor is subject to the enforcement and penalty provisions in Articles 131 and 132.

**10.5.2 Nondiscrimination in the Provision of Employee Benefits.** San Francisco Labor and Employment Code Article 131.2 applies to this Agreement. 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 City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Labor and Employment Code Article 131.2.

**10.6 Local Business Enterprise and Nondiscrimination in Contracting Ordinance.** Contractor shall comply with all applicable provisions of Chapter 14B (“LBE Ordinance”). Contractor is subject to the enforcement and penalty provisions in Chapter 14B.

**10.7 Minimum Compensation Ordinance.** Labor and Employment Code Article 111 applies to this Agreement. Contractor shall pay covered employees no less than the minimum compensation required by San Francisco Labor and Employment Code Article 111, including a minimum hourly gross compensation, compensated time off, and uncompensated time off. Contractor is subject to the enforcement and penalty provisions in Article 111. Information about and the text of Article 111 is available on the web at <http://sfgov.org/olse/mco>. Contractor is required to comply with all of the applicable provisions of Article 111, irrespective of the listing of obligations in this Section. By signing and executing this Agreement, Contractor certifies that it complies with Article 111.

**10.8 Health Care Accountability Ordinance.** Labor and Employment Code Article 121 applies to this contract. Contractor shall comply with the requirements of Article 121. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Article 121.3. 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 Article 121, 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 Article 121. Any Subcontract entered into by Contractor shall require any Subcontractor with 20 or more employees to comply with the requirements of Article 121.3 and shall contain contractual obligations substantially the same as those set forth in this Section.

**10.9 First Source Hiring Program.** Contractor must comply with all of the applicable provisions of the First Source Hiring Program, Chapter 83 of the San Francisco Administrative Code, that apply to this Agreement; and Contractor is subject to the enforcement and penalty provisions in Chapter 83.

**10.10 Alcohol and Drug-Free Workplace.** City reserves the right to deny access to, or require Contractor to remove from, City facilities personnel of any Contractor or subcontractor who City has reasonable grounds to believe has engaged in alcohol abuse or illegal drug activity which in any way impairs City’s ability to maintain safe work facilities or to protect the health and well-being of City employees and the general public. City shall have the right of final approval for the entry or re-entry of any such person previously denied access to, or removed from, City facilities. Illegal drug activity means possessing, furnishing, selling, offering, purchasing, using or being under the influence of illegal drugs or other controlled substances for which the individual lacks a valid prescription. Alcohol abuse means possessing, furnishing, selling, offering, or using alcoholic beverages, or being under the influence of alcohol.

**10.11 Limitations on Contributions.** By executing this Agreement, Contractor acknowledges its obligations under Section 1.126 of City’s Campaign and Governmental Conduct Code, which prohibits any person who contracts with, or is seeking a contract with, any department of 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 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 ten percent (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.

**10.12 Reserved.**

**10.13 Reserved.**

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

10.14.1 Contractor agrees to comply fully with and be bound by all of the provisions of Article 142, "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Labor and Employment Code ("Article 142"), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Article 142 are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of Article 142 is available on the web at <http://sfgov.org/olse/fco>. Contractor is required to comply with all of the applicable provisions of Article 142, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Article 142.

10.14.2 The requirements of Article 142 shall only apply to a Contractor's or Subcontractor's operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco. Article 142 shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

**10.15 Nonprofit Contractor Requirements.**

10.15.1 **Good Standing.** If Contractor is a nonprofit organization, Contractor represents that it is in good standing with the California Attorney General's Registry of Charitable Trusts and will remain in good standing during the term of this Agreement. Contractor shall immediately notify City of any change in its eligibility to perform under the Agreement. Upon City's request, Contractor shall provide documentation demonstrating its compliance with applicable legal requirements. If Contractor will use any subcontractors to perform the Agreement, Contractor is responsible for ensuring they are also in compliance with the California Attorney General's Registry of Charitable Trusts for the duration of the Agreement. Any failure by Contractor or its subcontractors to remain in good standing with applicable requirements shall be a material breach of this Agreement.

**10.15.2 Public Access to Nonprofit Records and Meetings.** If Contractor is a nonprofit organization, provides Services that do not include services or benefits to City employees (and/or to their family members, dependents, or their other designated beneficiaries); and receives a cumulative total per year of at least \$250,000 in City or City-administered funds, Contractor must comply with the City's Public Access to Nonprofit Records and Meetings requirements, as set forth in Chapter 12L of the San Francisco Administrative Code, including the remedies provided therein.

**10.16 Food Service Waste Reduction Requirements.** Contractor shall comply with the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including but not limited to the remedies for noncompliance provided therein.

**10.17 Reserved.**

**10.17.1 Reserved.**

**10.17.2 Reserved.**

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

**10.19 Reserved.**

**10.20 Reserved.**

**10.21 Reserved.**

**10.21.1 Reserved.**

**10.21.2 Reserved.**

**10.22 Reserved.**

**10.23 Use of City Opinion.** Contractor shall not quote, paraphrase, or otherwise refer to or use any opinion of City, its officers or agents, regarding Contractor or Contractor's performance under this Agreement without prior written permission of Purchasing.

## **Article 11 General Provisions**

**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:	Director of Purchasing City and County of San Francisco Office of Contract Administration Purchasing Division City Hall, Room 430 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4685 Email: <a href="mailto:OCA@sfgov.org">OCA@sfgov.org</a> Phone: (415) 554-6743 Fax: (415) 554-6717
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To Contractor:	Luis Agurto CEO Agurto Corporation, dba Pestec 3450 3RD ST STE 3F SAN FRANCISCO, CA 94124 Luis@pestecIPM 415-671-0300
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Any notice of default or data breach must be sent by certified mail or other trackable written communication, and also by e-mail, with the sender using the receipt notice feature. Either Party may change the address to which notice is to be sent by giving written notice thereof to the other Party at least ten (10) days prior to the effective date of such change. If email notification is used, the sender must specify a receipt notice.

## 11.2 Compliance with Laws Requiring Access for People with Disabilities.

11.2.1 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 people with disabilities. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against people with disabilities 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.

11.2.2 Reserved.

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

11.4 **Sunshine Ordinance.** Contractor acknowledges that this Agreement and all records related to its formation, Contractor's performance of Services, and City's payment are subject to the California Public Records Act, (California Government Code §7920 et seq.), and the San Francisco Sunshine Ordinance, (San Francisco Administrative Code Chapter 67). Such records are subject to public inspection and copying unless exempt from disclosure under federal, state or local law.

11.5 **Modification of this 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.

## 11.6 Dispute Resolution Procedure.

11.6.1 **Negotiation; Alternative Dispute Resolution.** The Parties will attempt in good faith to resolve any dispute or controversy arising out of or relating to the performance of services under this Agreement. Disputes will not be subject to binding arbitration. The status of any dispute or controversy notwithstanding, Contractor shall proceed diligently with the performance of its obligations under this Agreement in accordance with the Agreement and the written directions of City. Neither Party will be entitled to legal fees or costs for matters resolved under this Section.

**11.6.2 Government Code Claim Requirement.** No suit for money or damages may be brought against City until a written claim therefor has been presented to and rejected by City in conformity with the provisions of San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq. Nothing set forth in this Agreement shall operate to toll, waive or excuse Contractor's compliance with the California Government Code Claim requirements set forth in San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq.

**11.6.3 Reserved.**

**11.7 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.

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

**11.9 Entire Agreement.** This contract, including the appendices, sets forth the entire Agreement between the Parties, and supersedes all other oral or written provisions. This Agreement may be modified only as provided in Section 11.5, "Modification of this Agreement."

**11.10 Compliance with Laws.** Contractor shall keep itself fully informed of City's Charter, codes, ordinances and duly adopted rules and regulations of 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.

**11.11 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 (i) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (ii) 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.

**11.12 Cooperative Drafting.** This Agreement has been drafted through a cooperative effort of City and Contractor, 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.

**11.13 Order of Precedence.** The Parties agree that this Agreement, including all appendices, sets forth the Parties' complete agreement. If the Appendices to this Agreement include any standard printed terms from Contractor, Contractor agrees that in the event of discrepancy, inconsistency, gap, ambiguity, or conflicting language between City's terms and Contractor's printed terms attached, City's terms in this Agreement shall take precedence, followed by the procurement issued by the department (if any), Contractor's proposal, and Contractor's printed terms, respectively. Any hyperlinked terms included in Contractor's terms shall have no legal effect.

**11.14 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 any City Data under this Agreement, and in no event later than twenty-four (24) hours after Contractor 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 City’s instruction and requests, including, without limitation, any retention schedules and/or litigation hold orders provided by City to Contractor, independent of where City Data is stored.

## **Article 12 Department Specific Terms**

### **12.1 Reserved.**

## **Article 13 Data and Security**

### **13.1 Nondisclosure of Private, Proprietary or Confidential Information.**

**13.1.1 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.

**13.1.2 City Data; Confidential Information.** In the performance of Services, Contractor may have access to, or collect on City’s behalf, City Data, which may include proprietary or Confidential Information that if disclosed to third parties may damage City. If City discloses proprietary or Confidential Information to Contractor, or Contractor collects such information on City’s behalf, 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 proprietary or Confidential Information.

### **13.2 Reserved.**

### **13.3 Reserved.**

### **13.4 Management of City Data.**

**13.4.1 Use of City Data.** Contractor agrees to hold City Data received from, or created or collected on behalf of, City, in strictest confidence. Contractor shall not use or disclose City Data except as permitted or required by the Agreement or as otherwise authorized in writing by City. Any work by Contractor or its authorized subcontractors using, or sharing or storage of, City Data outside the United States is prohibited, absent prior written authorization by the City. Access to City Data must be strictly controlled and limited to Contractor’s staff assigned to this project on a need-to-know basis only. City Data shall not be distributed, repurposed or shared across other applications, environments, or business units of Contractor. Contractor is provided a limited non-exclusive license to use City Data 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, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third-party. Unauthorized use of City Data 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 and/or



machine learning from the data, stored or transmitted by the service, for unrelated commercial purposes, advertising or advertising-related purposes, or for any purpose that is not explicitly authorized other than security or service delivery analysis.

**13.4.2 Disposition of City Data.** Upon request of City or termination or expiration of this Agreement, Contractor shall promptly, but in no event later than thirty (30) calendar days, return all City Data given to, or collected or created by Contractor on City's behalf, which includes all original media. Once Contractor has received written confirmation from City that City Data has been successfully transferred to City, Contractor shall within ten (10) business days clear or purge all City Data from its servers, any hosted environment Contractor has used in performance of this Agreement, including its subcontractor's environment(s), 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. Secure disposal shall be accomplished by "clearing," "purging" or "physical destruction," in accordance with National Institute of Standards and Technology (NIST) Special Publication 800-88 or most current industry standard.

**13.4.3 Protected Health Information.** Where applicable, Contractor, all subcontractors, all agents and employees of Contractor and any subcontractor shall comply with all federal and state laws regarding the transmission, storage and protection of all private health information, if any, disclosed to Contractor by City in the performance of this Agreement. Contractor agrees that any failure of Contractor to comply with the requirements of federal and/or state and/or local privacy laws shall be a material breach of the Agreement. In the event that City pays a regulatory fine, and/or is assessed civil penalties or damages through private rights of action, based on an impermissible use or disclosure of protected health information given to Contractor or its subcontractors or agents by City, Contractor shall indemnify City for the amount of such fine or penalties or damages, including costs of notification. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Agreement.

**13.5 Ownership of City Data.** The Parties agree that as between them, all rights, including all intellectual property rights, in and to City Data and any derivative works of City Data is the exclusive property of City.

**13.6 Loss or Unauthorized Access to City's Data; Security Breach Notification.** Contractor shall comply with all applicable laws that require the notification to individuals in the event of unauthorized release of PII, PHI, or other event requiring notification. Contractor shall notify City of any actual or potential exposure or misappropriation of City Data (any "Leak") within twenty-four (24) hours of the discovery of such, but within twelve (12) hours if the Leak involved PII or PHI. Contractor, at its own expense, will reasonably cooperate with City and law enforcement authorities to investigate any such Leak and to notify injured or potentially injured parties. The remedies and obligations set forth in this subsection are in addition to any other City may have. City shall conduct all media communications related to such Leak.

## **Article 14 MacBride And Signature**

**14.1 MacBride Principles -Northern Ireland.** The provisions of San Francisco Administrative Code Chapter 12F are incorporated herein by this reference and made part of this Agreement. By signing this Agreement, Contractor confirms that Contractor has read and

understood that City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

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

**CITY**

Recommended by:

\_\_\_\_\_  
Florence Kyaun  
Procurement Manager  
Office of Contract Administration

Approved as to Form:

David Chiu  
City Attorney

By: \_\_\_\_\_  
[name of Deputy City Attorney]  
Deputy City Attorney

Approved:  
Sailaja Kurella  
Director of the Office of Contract Administration,  
and Purchaser

By: \_\_\_\_\_

**Appendices**

- A: Scope of Services
- B: Calculation of Charges
- C: Regulatory and Compliance Requirements

**CONTRACTOR**

Agurto Corporation, dba Pestec

\_\_\_\_\_  
Luis Agurto  
CEO  
3450 3RD ST STE 3F  
SAN FRANCISCO, CA 94124

City Supplier ID: 0000026079

## **Appendix A Scope of Work**

- I. Overview
- II. San Francisco Department of Environment (“SFE”)
- III. IPM Services Overview
- IV. IPM Service Categories
  - A. Service Category 1: Short-Term IPM Services
  - B. Service Category 2: Ongoing IPM Services
  - C. Service Category 3: Emergency Services
  - D. Service Category 4: IPM Meetings, Consulting and Training Services
- V. Licenses and Certifications
- VI. Uniforms and Equipment
- VII. Chapter 3 of the Environment Code – Integrated Pest Management Ordinance.
- VIII. On-going Recommendations and Annual Service Reports

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The Scope of Work (“SOW”) below is to be used as a general guide and is not intended to be a complete list of all work necessary to complete the project.

### **I. Overview**

This contract is part of the Integrated Pest Management Program (“IPM Program”) for property owned or leased by City in accordance with Chapter 3 of the San Francisco Environment Code (“IPM Ordinance”).<sup>1</sup> An IPM Program is an ecosystem-based strategy that focuses on long-term prevention of pests or their damage through a combination of techniques such as biological control, habitat manipulation, modification of cultural practices, and use of resistant varieties.

City’s IPM Program includes Structural IPM Services and Public Health IPM Services.

- Structural IPM Services include the performance of any work for the purpose of preventing, controlling, or eliminating pests that may invade City buildings, properties, or other structures. Structural pests may include, but are not limited to, insects, rodents, and birds.
- Public Health IPM Services include the performance of any work for the purpose of preventing or managing pests that pose a vector or other health hazard. Public Health pests may include, but are not limited to, structural pests, mosquitoes, feral cats or other individual vertebrates, and dead vertebrates.

Contractor must furnish all supervision, labor, materials, and equipment necessary to successfully perform these services at City locations. Work sites will be numerous and varied. A list of sites serviced between April 1, 2023 and March 31, 2024 is attached as Exhibit 1. This list is not exhaustive and sites serviced under this contract may differ.

### **II. San Francisco Department of Environment (“SFE”)**

The City’s IPM Program is overseen by the San Francisco Environment Department (“SFE”) under a designated SFE IPM Program Manager. Contractor will work closely with the SFE IPM Program Manager, as well as authorized representatives of City Departments responsible for overseeing the Department’s IPM Program (“Department Representatives”) to perform the services outlined in this SOW.

In performing Structural and Public Health IPM Services, Contractor will be required to seek the cooperation of the City’s building management and City’s building occupants to ensure compliance with the City’s IPM Ordinance. In cases where Contractor deems such cooperation inadequate to successfully manage pests using IPM principles, Contractor will notify the Department Representative and/or the SFE IPM Program Manager. Contractor or Contractor’s representative will also be required to attend and participate in regularly scheduled meetings and activities as listed in this contract.

### III. IPM Services Overview

The range of pest management services required by City will vary based on the facility type being serviced. For the purpose of this Agreement, San Francisco Public Utilities Commission (“SFPUC”) Infrastructure refers to sewers, catch basins, and other utility infrastructure. All other City property is referred to as “Non SFPUC Infrastructure.”

Non SFPUC Infrastructure	SFPUC Infrastructure
<p>A. Performance of services that are regulated by the <u>California Structural Pest Control Board Branch 2 (general pests) structural pest control license</u>. Branch 2 services cover a variety of insect, rodent, and bird pests within structures. Management of wood destroying organisms, landscape pest and weed management, and fumigation of structures are not included in this contract.</p> <p>B. Performance of IPM services for individual vertebrates, including but not limited to: feral cats, foxes, ground squirrels, opossums, raccoons, and skunks, located indoors or outdoors, that are determined by the Department Representative to be causing unacceptable property damage, nuisance, or hazard.</p> <p>C. Pick-up, humane euthanasia, and proper disposal of dead vertebrates.</p> <p>D. Suppression or removal of other kinds of pests that appear in high numbers (e.g., feral pigeons, other pest birds), or that may be vectoring pathogens that pose potential health risks to humans (e.g., bats, ticks). These services will be considered Special and Emergency Services and billed as such (see Category Three: “Special and Emergency Service”).</p> <p>E. <b>Pest Exclusion and Prevention.</b> Contractor shall communicate in writing to the Department Representative any minor structural repairs needed to prevent pest entry or eliminate pest habitats (e.g., sealing cracks, screening holes, installing door sweeps). If the affected City department is unable to complete these minor repairs using City staff, the Department Representative may authorize Contractor to complete these repairs. In such a situation,</p>	<p>A. Monitoring and control of mosquitoes in SFPUC infrastructure, including but not limited to sewers, catch basins, and other utility infrastructure. <u>The control of mosquitoes requires Category K licensing.</u></p> <p>B. Monitoring and control of rodents, including but not limited to sewers, catch basins, and other utility infrastructure.</p> <p>C. Monitoring and control of mosquitoes and rodents in infrastructure, which requires coordination with the San Francisco Department of Public Health and SFPUC and includes the collection, storage, processing, and transmission of information about the quantity, type, time, location, and treatment of these vectors to both</p>

<ul style="list-style-type: none"> <li>Contractors shall charge for such services at the “Ongoing IPM Service” hourly rate, plus materials costs.</li> <li>If the facility in question does not have an IPM plan already in place, Contractor shall charge at the “Short-Term Service” rate for such work.</li> </ul> <p>Prior to embarking on such work, Contractor must receive authorization in writing from the Department Representative. Under no circumstances should Contractor’s services be employed to conduct general repairs not specifically required for pest prevention.</p>	<p>departments in formats approved by SFPUC.</p> <p>D. As the treatment plant operator, SFPUC holds a National Pollutant Discharge Elimination System (NPDES) permit from the State Water Resources Control Board to provide mosquito abatement. Contractor will work with SFPUC to ensure its mosquito abatement services are aligned with SFPUC’s standards.</p>
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#### IV. IPM Service Categories

There are four (4) IPM Service Categories, each of which is further detailed in this Subsection III. Contractor will charge their hourly rate depending on the category of service provided. The four(4) Service Categories are as follows:

- 1. Service Category 1 Short-Term IPM Service, consisting of:**
  - a. Category 1A: Short-Term IPM Service (Non SFPUC Infrastructure)
  - b. Category 1B: Short-Term IPM Service (SFPUC Infrastructure)
- 2. Service Category 2 Ongoing IPM Service, consisting of:**
  - a. Category 2A: Ongoing IPM Service (Non SFPUC Infrastructure)
  - b. Category 2B: Ongoing IPM Service (SFPUC Infrastructure)
- 3. Service Category 3 Emergency Services, consisting of:**
  - a. Category 3A: Emergency Services (Non-SFPUC Infrastructure)
  - b. Category 3B: Emergency Services (SFPUC Infrastructure)
- 4. Service Category 4: IPM Meetings, Consulting and Trainings**

##### A. Service Category 1: Short-Term IPM Services

This category of service addresses minor pest problems that can generally be solved in one or two service calls. It is best suited to small facilities or offices with no history of chronic pest problems. Short-Term IPM Services are provided on an as-needed basis and do not warrant preparation of a complete written IPM plan or intensive monitoring. Contractor's charge starts at the time of arrival and signing in with Department Representative or City personnel responsible for site management.

Service Category 1: Short Term IPM Service		
Topic	Non SFPUC Infrastructure	SFPUC Infrastructure
<b>Response time:</b>	Contractor must schedule service call <b>within five (5) business days</b> of receiving a request from the Department Representative.	

Service Category 1: Short Term IPM Service		
Topic	Non SFPUC Infrastructure	SFPUC Infrastructure
<b>Charges:</b>	<p>Services will be charged based on the billing rates set forth in Appendix B for “Per Call Rates” Non-SFPUC Infrastructure Pest Management Labor Rates”. Service Category 1 rates are <u>INLCUSIVE</u> of each mandatory activity below:</p> <ol style="list-style-type: none"> <li>1. Initial Inspection</li> <li>2. Written Proposal</li> <li>3. Post service reports</li> </ol> <p><b>Travel Time:</b> Contractor may <u>not</u> bill city for travel time associated with performing Service Category 1 services.</p>	<p>Services will be charged based on the billing rates set forth in Appendix B for “Per Call Rates” SFPUC Infrastructure Pest Management Labor Rates”. Service Category 1 rates are <u>INLCUSIVE</u> of each mandatory activity below:</p> <ol style="list-style-type: none"> <li>1. Initial Inspection</li> <li>2. Written Proposal</li> <li>3. Post service reports</li> </ol> <p><b>Travel Time:</b> Contractor may <u>not</u> bill city for travel time associated with performing Service Category 1 services.</p>
<b>Initial inspection:</b>  <i>Contractor may not charge City separately for the initial inspection.</i>	<p>Contractor shall conduct an initial inspection of the facility to determine the pest problem, population threshold for treatment, and the specific IPM methods to be used to solve the problem and prevent future occurrences..</p>	
<b>Written proposal:</b>  <i>Contractor may not charge City separately for its written proposal.</i>	<p>Contractor shall prepare a brief written proposal to the Department Representative that summarizes the pest problem, population threshold for treatment, and the specific IPM methods to be used to solve the problem and prevent future occurrences. This proposal must also include the estimated number of hours needed and total price quote.</p> <p>Contractor shall submit its written proposal to the Department Representative.</p> <p>Contractor shall implement its written proposal only after written approval by the Department Representative.</p>	
<b>Post service reports:</b>  <i>Contractor may not charge City separately for its post</i>	<p>Within five (5) days of each service visit, Contractor shall provide a service report to the Department Representative listing the following:</p> <ol style="list-style-type: none"> <li>a) Itemization of pest management activities completed, including non-pesticidal techniques and preventative actions,</li> <li>b) Pest monitoring results, including types of pests observed and locations in facility(ies),</li> <li>c) Recommendations for structural repairs or sanitation issues likely to affect pest infestations,</li> </ol>	

Service Category 1: Short Term IPM Service		
Topic	Non SFPUC Infrastructure	SFPUC Infrastructure
<i>service reports.</i>	d) Pesticides applied, including product name, US EPA registration numbers, amount used, method of application, and target pest, and e) Charges	

## B. Service Category 2: Ongoing IPM Services

This Category of service addresses more complex or chronic pest problems, and is suited for larger facilities, or any situation where pest management is required on a regular basis (i.e., where the pest problem cannot be solved in one or two service calls). The “Ongoing IPM Service” rate is applicable only to facilities that have a signed, current IPM plan. For the Ongoing IPM Services Category, Contractor shall provide:

Service Category 2: Ongoing IPM Service		
	Non SFPUC Infrastructure	SFPUC Infrastructure
<b>Response time:</b>	For cases where the Departmental Representative has requested ongoing IPM service, Contractor must schedule initial inspection <b>within 20 business days</b> of receiving a request from the Departmental Representative.	
<b>Charges:</b>	IMP services will be charged based on the billing rates set forth in Appendix B for “Recurring Services” for “Non-SFPUC Infrastructure Pest Management Labor Rates” consisting of the following frequencies: <ul style="list-style-type: none"> <li>• Annual</li> <li>• Quarterly</li> <li>• Bimonthly</li> <li>• Monthly</li> <li>• Semimonthly</li> <li>• 3 Weekly</li> <li>• Biweekly</li> <li>• Weekly</li> <li>• Semiweekly</li> </ul> <b>Service Category 2 rates are <u>INCLUSIVE</u> of each mandatory activity below:</b> <ol style="list-style-type: none"> <li>1. Initial Inspection</li> <li>2. IPM plan preparation</li> <li>3. IPM plan submission and approval</li> <li>4. IPM plan revisions</li> </ol>	IMP services will be charged based on the billing rates set forth in Appendix B for “Recurring Services” for “SFPUC Infrastructure Pest Management Labor Rates” consisting of the following frequencies: <ul style="list-style-type: none"> <li>• Annual</li> <li>• Quarterly</li> <li>• Bimonthly</li> <li>• Monthly</li> <li>• Semimonthly</li> <li>• 3 Weekly</li> <li>• Biweekly</li> <li>• Weekly</li> <li>• Semiweekly</li> </ul> <b>Service Category 2 rates are <u>INCLUSIVE</u> of each mandatory activity below:</b> <ol style="list-style-type: none"> <li>1. IPM plan preparation</li> <li>2. IPM plan submission and approval</li> <li>3. IPM plan revisions</li> <li>4. Post service reports</li> </ol>



Service Category 2: Ongoing IPM Service		
	Non SFPUC Infrastructure	SFPUC Infrastructure
	5. Post service reports 6. Pest log books  <b>Travel Time:</b> Contractor may <u>not</u> bill city for travel time associated with performing Service Category 2 services for Non-SFPUC Infrastructure.	5. Pest log books  <b>Travel Time:</b> Contractor <u>may</u> bill city for travel time associated with Service Category 2 services for SFPUC Infrastructure. Travel time pertains to time travelled between sites completed in a single session. Travel time charges may not begin until arrival at the first monitoring/treatment site and may not include lunch or other breaks.
<b>Initial inspection:</b>  <i>Contractor may not charge City separately for the initial inspection</i>	The purpose of this initial inspection is for Contractor to evaluate the pest management needs of the premises and to discuss these needs with the Department Representative..	
<b>IPM plan preparation:</b>  <i>Contractor may not charge City separately for the IPM plan preparation.</i>	Following the initial inspection, Contractor shall develop a written IPM plan for each facility, which must be submitted to the Department Representative for approval. The IPM plan shall include the following components: <ul style="list-style-type: none"> <li>a) <b>Management objectives:</b> Identify key pests to be controlled, level (thresholds) of control desired, and area of the facility requiring special attention.</li> <li>b) <b>Communication and accountability system:</b> Designate contact people and alternates at both the facility and at Contractor's company. Establish location of pest activity log book(s) at the facility. Establish procedure for Contractor to report facility maintenance or pest prevention needs to appropriate staff at the facility.</li> <li>c) <b>Schedule of service:</b> Describe expected schedule and duration of service visits required to meet management objectives.</li> <li>d) <b>Monitoring program:</b> Describe monitoring approach including the use of traps and/or inspections.</li> <li>e) <b>Description of IPM methods and products:</b> Summarize non-chemical IPM methods proposed. List City-approved pesticide products proposed for use in the program together with the rationale, proposed methods of use, and methods planned to minimize exposure to people and the environment. For each pesticide, list the product name, US EPA registration number (if</li> </ul>	

Service Category 2: Ongoing IPM Service		
	Non SFPUC Infrastructure	SFPUC Infrastructure
	<p>registered), specific building(s) and pests targeted, and where pesticide will be applied (e.g., indoors, in wall voids, outside).</p> <p>f) <b>Desirable structural or operational changes:</b> Identify pest-proofing activities or modification of staff operational methods or timing that would improve pest management efforts (e.g., sealing around pipes).</p> <p>g) <b>Record-keeping system:</b> Describe data to be collected and provide a sample monitoring form designed to track data on pest location, populations, harborage, trends in pest populations, status of previously suggested pest exclusion and prevention measures for which facility staff are responsible, and other relevant information.</p> <p>h) <b>Exemptions:</b> If exemptions have been granted by SFE for the use of pesticide products not listed on the current San Francisco Reduced-Risk Pesticide List (RRPL), exemption approvals should be included in the Pest Log.</p> <p>i) <b>(As appropriate) Education and training activities:</b> List recommended education and training activities for facility staff that would increase their support for IPM activities</p>	
<p><b>IPM plan submission and approval:</b></p> <p><i>Contractor may not charge City separately submission and approval.</i></p>	<p>The IPM plan shall be submitted to the Department Representative not more than ten (10) working days following the initial inspection. If the plan is rejected, Contractor shall have three (3) working days to submit a revised Plan. Once the IPM plan is approved by the Department Representative, it shall be Contractor's responsibility to carry out work according to the IPM Plan, and to file a copy of the final plan with SFE. Contractor may not charge more than four (4) hours of time for IPM plan preparation without prior approval from the Department Representative.</p> <p>Before approval of an IPM Plan by the affected City department, and at the discretion of the Department Representative, Contractor may provide interim pest management services within the scope of this contract at "Short-Term IPM Service" hourly rate.</p>	
<p><b>IPM plan revisions:</b></p> <p><i>Contractor may not charge City separately for IPM plan revisions.</i></p>	<p>Each ongoing IPM service plan shall be reviewed at least once every three years by both the Department Representative and Contractor, and renewed or adjusted as conditions warrant. Any changes in the IPM plan must first receive the approval of the Department Representative.</p>	
<p><b>Post service report:</b></p>	<p>Within five (5) days of each service visit, Contractor shall provide a service report to the Department Representative listing the following:</p>	

Service Category 2: Ongoing IPM Service		
	Non SFPUC Infrastructure	SFPUC Infrastructure
<i>Contractor may not charge City separately for services reports.</i>	<p>a) Itemization of pest management activities completed, including non-pesticidal techniques and preventative actions,</p> <p>b) Pest monitoring results, including types of pests observed and locations in facility(ies),</p> <p>c) Recommendations for structural repairs or sanitation issues likely to affect pest infestations,</p> <p>d) Pesticides applied, including product name, US EPA registration numbers, amount used, method of application, and target pest, and</p> <p>e) Charges</p> <p><b>Structural repairs and pest prevention:</b> If Contractor has previously recommended sanitation or exclusion measures, and if the Department has not yet fulfilled these recommendations, Contractor shall notify the Department of this situation in the service report. Thereafter, if the problem is not solved in a reasonable number of return visits due to the facility not following Contractor recommendations, Contractor may contact the SFE IPM Program Manager to help mitigate the problem.</p>	
<b>Pest log books:</b>  <i>Contractor may not charge City separately for maintaining pest log books.</i>	<p>Contractor shall be responsible for maintaining a complete and accurate pest management log book at each facility that is served under the contract. The log book shall be updated at each visit by Contractor, shall be clear and legible, and shall document the number of Contractor employees present, each Contractor employee's name, each Contractor employee's identification number and each Contractor employee's time in and time out. If the facility lacks a log book, Contractor is responsible for providing one. The log book shall contain at minimum the following items:</p> <p>a) A copy of the IPM plan and/or service scheduled for the building.</p> <p>b) If applicable, a list of pesticides used, including trade name and active</p>	<p>Contractor shall be responsible for maintaining a complete and accurate pest management log book at each facility that is served under the contract. The log book shall be updated at each visit by Contractor, shall be clear and legible, and shall document the number of Contractor employees present, each Contractor employee's name, each Contractor employee's identification number and each Contractor employee's time in and time out. If the facility lacks a log book, Contractor is responsible for providing one. The log book shall contain at minimum the following items:</p> <p>a) A copy of the IPM plan and/or service scheduled for the building.</p> <p>b) If applicable, a list of pesticides used, including trade name and active ingredients.</p> <p>NOTE: Only pesticides listed</p>

Service Category 2: Ongoing IPM Service		
	Non SFPUC Infrastructure	SFPUC Infrastructure
	<p>ingredients. NOTE: Only pesticides listed on the current Reduced-Risk Pesticide List are authorized for use on City property.</p> <p>c) Copies of product labels and safety data sheets (SDS) for each pesticide used.</p> <p>d) (As appropriate) Pest sighting sheets, preferably in floor plan map format, which Contractor posts in break rooms or other locations convenient to facility occupants. The sheets are used to gather information on pest presence from building occupants. Contractor shall be responsible for posting and collecting the sheets.</p> <p>e) Copies of all service report forms for the facility</p>	<p>on the current Reduced-Risk Pesticide List are authorized for use on City property.</p> <p>c) Copies of product labels and safety data sheets (SDS) for each pesticide used.</p> <p>d) (As appropriate) Identifying which catchment basins have been treated, what the treatment was, and when it occurred.</p> <p>e) Data on rodents in sewers, such as pest location, populations, harborage, and trends in pest populations, so that infestations can be anticipated and prevented.</p> <p>f) Copies of all service report forms for the facility.</p>

### C. Service Category 3: Emergency Services

This category of service addresses urgent pest problems that must be addressed as soon as is practical. They are not return visits resulting from other routine services provided under the Contract.

Service Category 3: Emergency Services		
	Non SFPUC Infrastructure	SFPUC Infrastructure
<b>Response time:</b>	Contractor shall address Emergency Service pest problems within 24 hours of the service call. In the event that such services cannot be completed within the above stipulated time frame, Contractor shall immediately notify the Department Representative in writing via email and indicate an anticipated completion date.	
<b>Charges</b>	<p>Contractor shall charge the “Emergency Service” rate for these services but must notify the requesting Department in writing via email that the special rate applies before performing the service.</p> <p><b>Travel Time:</b> Contractor may <u>not</u> bill city for travel time associated with performing Service Category 3 services.</p>	

### D. Service Category 4: IPM Meetings, Consulting and Training Services

Each month, Contractor or SFE-approved Contractor's representative shall allocate up to four (4) hours, free of charge to City, for the purpose of participating in IPM meetings, consulting and training as defined below. Contractor's participation in these activities must be authorized by the SFE IPM Program Manager. In the event Contractor is required to provide more than four (4) hours for these activities, the SFE IPM Program Manager will instruct Contractor on which City Department to bill for the additional hours. Contractor shall bill the City Department in accordance with the rate structure set forth in Appendix B.

### **1. IPM Meetings.**

Contractor must attend one 2-hour IPM Technical Advisory Committee meeting per month, convened by the SFE IPM Program Manager. Contractor must also participate in quarterly meetings with key SFPUC and SF Department of Public Health staff. The purpose of these meetings will be to evaluate efficacy of catchment basin and sewer treatments, and to discuss product rotation, less toxic alternatives, and other IPM plans for the Contractor to implement. Contractor shall participate in additional ad hoc meetings that may pertain to updating the Reduced Risk Pesticide List, new pest management regulations, pest and pesticide data collection, reporting, and analysis, or other topics approved by the SFE IPM Program Manager.

### **2. IPM Consulting.**

***Consulting, recommendations and guidance provided under Service Categories 1, 2 or 3 are not billable.*** However, Contractor may at times be requested to provide City with IPM consulting, recommendations and guidance not otherwise related to services to be performed under Service Categories 1, 2 or 3. Under such circumstances only, Contractor may charge City in accordance with the rate structure set forth in Appendix B for Service Category 4. The purpose of IPM Consulting will be to offer reduced risk solutions, share pest management experience and expertise, and facilitate the implementation of IPM measures. Such Consulting may include in person or virtual phone calls and site visits.

### **3. IPM Training.**

Provide in-person or virtual instruction and recommendations on preventing and managing structural pests to City staff, as requested. Duties include arranging training logistics with Department Representative and SFE IPM Program Manager, assisting in developing an agenda, designing and providing engaging, interactive, and relevant trainings, and related tasks. A combination of pesticide safety instruction and broader IPM topics must be included.

## **V. Licenses and Certifications**

Contractor shall provide only qualified pest management personnel with experience in the conduct of IPM. All of Contractor's personnel who work on the contract must meet the following requirements:

4. One onsite supervisor must have an operator's license.
5. All onsite staff must have applicator certification and/or a qualified applicator certificate (QAC).
6. All onsite supervisors must have field representative licenses.
7. At least one onsite staff member must have a valid Category K certification for public health pest control.
8. At least one onsite staff member must have a valid license for animal trapping.

In the event additional licenses may be required for certain services, a determination shall be made on a case-by-case basis by the SFE IPM Program Manager regarding whether Contractor is able to complete the work, or whether an outside Contractor must be contacted to complete the work.

Upon request, Contractor shall provide City with the names of all pest management personnel who might be assigned to this contract, and pertinent information regarding their qualifications, experience, and training. Any employee found unqualified by the Department Representative for the position to which they are assigned will be removed by Contractor and replaced immediately with a qualified employee at no additional cost to the City.

Contractor shall be required to maintain the following certifications throughout the Agreement term: [https://www.ecowisecertified.com/ecowise\\_index.html](https://www.ecowisecertified.com/ecowise_index.html)

## **VI. Uniforms and Equipment**

All personnel, while performing in or on City-owned or leased premises, shall have at a minimum, an easily identifiable uniform bearing the company name and photo ID on hand at all times. Additional personal protective equipment, required by State law for the safe performance of work, must be determined and provided by Contractor. Vehicles used by Contractor must be clearly marked and identified in accordance with State and local regulations.

## **VII. Chapter 3 of the Environment Code – Integrated Pest Management Ordinance**

The IPM Ordinance restricts the use of chemical pesticides on City properties in order to safeguard public health and protect the natural environment. Contractor will be required to comply with all policies and requirements of the IPM Ordinance.<sup>1</sup> These include:

<b>1.</b> The preferred use of non-chemical pest management methods.	As a general rule, application of pesticides shall not occur unless monitoring indicates the presence of pests in that specific area. Preventive use of pesticides is only acceptable in rare cases, where monitoring indicates that a potential insect or rodent infestation could occur, and with approval from the Department Representative
<b>2.</b> Posting prior to and after use of pesticides.	Contractor must supply each facility with all pesticide application notification signage required under the IPM Ordinance. Signs must be in the format prescribed by SFE. In the event of a spray application of a pesticide, Contractor will be responsible for posting the treated area three days prior to applications, with signs remaining in

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<sup>1</sup> For additional information, see:

- Chapter 3 of the Environment Code – Integrated Pest Management Ordinance: [https://codelibrary.amlegal.com/codes/san\\_francisco/latest/sf\\_environment/0-0-0-160](https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_environment/0-0-0-160).
- San Francisco RRPL, approved by the Commission on the Environment on September 26, 2023: <https://www.sfenvironment.org/media/13824/download?inline>.

	<p>place for four days following the application. Postings that may be required include:</p> <ul style="list-style-type: none"> <li>a. Permanent indoor pesticide notifications signs</li> <li>b. Temporary indoor and outdoor notifications signs</li> <li>c. Pest sighting forms</li> </ul>
3. Keeping records of pesticide applications and reporting pesticide application data to the City.	Contractor shall submit monthly electronic pesticide use reports to the SFE IPM Program Manager via the City's Pesticide Use Reporting System database. These reports shall list all chemical pest control measures taken at each site. These reports shall be submitted monthly within ten days after the end of each month.
4. Using only those chemical controls included on the City's Reduced-Risk Pesticide List (RRPL).	Under the IPM Ordinance, all chemical pesticides are banned for use on City property, except those listed on San Francisco's current RRPL. This list is updated annually. It is Contractor's responsibility to be familiar with the current version of the RRPL, and to comply with its limitations. The current RRPL, approved by the Commission on the Environment on September 26, 2023, is available from SFE at: <a href="https://www.sfenvironment.org/media/13824/download?inline">https://www.sfenvironment.org/media/13824/download?inline</a>
5. Submitting an exemption request and receiving City approval before use of pesticide products not on the RRPL.	Contractor shall fill out the required exemption forms (described in the IPM Ordinance) when new or additional products are desired for pest management use. These forms shall be submitted to SFE, whose approval is required before the requested products may be used. Pesticides needed to address an emergency situation for which non-pesticide methods are not feasible (San Francisco Environment Code, Section 303 (f)) may be used without an approved exemption, but an exemption form must be submitted within 72 hours of the application. The exemption form is found here: <a href="https://www.tfaforms.com/5061032">https://www.tfaforms.com/5061032</a>
6. Preparation of written IPM plans.	Prior to starting a new service, Contractor shall prepare a brief written proposal to the Department Representative that summarizes the pest problem, population threshold for treatment, and the specific IPM methods to be used to solve the problem and prevent future occurrences. This proposal must also include the estimated number of hours needed and total price quote.

## VIII. On-going Recommendations and Annual Service Reports

When needed or appropriate, Contractor shall provide detailed, site-specific recommendations for structural and procedural modifications to aid in pest prevention. Additionally, Contractor must submit report of all services performed under the contract to SFE on an annual basis. The report shall include: a brief description of the service performed, date(s) and location(s) of service, IPM service category, name of department requesting service and contact name at that

department, name of Contractor staff performing service, cost of service, and any other relevant details.



## Appendix B Calculation of Charges

### 1. Price Lists

#### A. Non-SFPUC Infrastructure Hourly Rates by Service Category

	NON-SFPUC INFRASTRUCTURE HOURLY RATES BY SERVICE CATEGORY										
	Category 1 Short Term IPM Service	Category 2 Ongoing IPM Service									Category 3 Emergency IPM Service
	PER CALL RATES Ad Hoc/As Needed	ANNUAL RATES 1X Per Year	QUARTERLY RATES 4X Per Year	BIMONTHLY RATES Every Other Month	MONTHLY RATES Every Month	SEMI-MONTHLY RATES 2X Per Month	3 WEEK RATES Every Three Weeks	BIWEEKLY RATES Every Other Week	WEEKLY RATES Every Week	SEMIWEEKLY RATES 2X Per Week	EMERGENCY RATES
DALY CITY	\$ 230.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 260.00
SAN BRUNO	\$ 230.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 260.00
SAN FRANCISCO	\$ 230.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 260.00
TREASURE ISLAND	\$ 230.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 195.00	\$ 260.00

#### B. SFPUC Infrastructure Hourly Rates by Service Category

	SFPUC INFRASTRUCTURE HOURLY RATES BY SERVICE CATEGORY										
	Category 1 Short Term IPM Service	Category 2 Ongoing IPM Service									Category 3 Emergency IPM Service
	PER CALL RATES Ad Hoc/As Needed	ANNUAL RATES 1X Per Year	QUARTERLY RATES 4X Per Year	BIMONTHLY RATES Every Other Month	MONTHLY RATES Every Month	SEMI-MONTHLY RATES 2X Per Month	3 WEEK RATES Every Three Weeks	BIWEEKLY RATES Every Other Week	WEEKLY RATES Every Week	SEMIWEEKLY RATES 2X Per Week	EMERGENCY RATES
BURLINGAME	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 260.00
DALY CITY	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 260.00
HALF MOON BAY	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 260.00
HILLSBOROUGH	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 260.00
MILLBRAE	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 260.00
MILPITAS	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 260.00
REDWOOD CITY	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 260.00
SAN BRUNO	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 260.00
SAN FRANCISCO	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 260.00
SAN MATEO	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 260.00
SUNOL	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 260.00
TRACY	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 260.00

#### C. Service Category 1 Billing Requirements

1. **Reporting Deliverables Included in Price:** All Service Category 1 rates are INCLUSIVE of each mandatory activity below.
  - a) Initial Inspection
  - b) Written Proposal
  - c) Post service reports
2. **Incremental Billing:** Services that require less than one hour may be rounded up to the nearest whole hour. For services that require more than one hour, Proposers may bill additional time in half hour (30 minute) increments.

3. **Travel Time (Non SFPUC Infrastructure):** Contractor may not bill City for travel time associated with performing Service Category 1 services for Non SFPUC Infrastructure.
4. **Travel Time (SFPUC Infrastructure):** Contractor may not bill City for travel time associated with performing Service Category 1 services for SFPUC Infrastructure.

#### **D. Service Category 2 Billing Requirements**

1. **Reporting Deliverables Included in Price:** Service Category 2 rates are INCLUSIVE of each mandatory activity below.
  - a) Initial Inspection
  - b) IPM plan preparation
  - c) IPM plan submission and approval
  - d) IPM plan revisions
  - e) Post service reports
  - f) Pest log books
2. **Incremental Billing:** Services that require less than one hour may be rounded up to the nearest whole hour. For services that require more than one hour, Proposers may bill additional time in half hour (30 minute) increments.
3. **Travel Time (Non SFPUC Infrastructure):** Contractor may not bill City for travel time associated with performing Service Category 2 services for Non SFPUC Infrastructure.
4. **Travel Time (SFPUC Infrastructure):** Contractor may bill city for travel time associated with Service Category 2 services for SFPUC Infrastructure. Travel time pertains to time travelled between sites completed in a single session. Travel time charges may not begin until arrival at the first monitoring/treatment site and may not include lunch or other break.

#### **E. Service Category 3 Billing Requirements**

1. **Incremental Billing:** Services that require less than one hour may be rounded up to the nearest whole hour. For services that require more than one hour, Proposers may bill additional time in half hour (30 minute) increments.
2. **Travel Time (Non SFPUC Infrastructure):** Contractor may not bill City for travel time associated with performing Service Category 3 services for Non SFPUC Infrastructure.
3. **Travel Time (SFPUC Infrastructure):** Contractor may not bill city for travel time associated with Service Category 3 services for SFPUC Infrastructure.

#### **F. IPM Meetings, Consulting and Training Services (Service Category 4)**

Contractor must provide, free of charge, four (4) hours per month of either activity below (or any combination thereof). Unused hours cannot be carried over by City into future months. Once City exceeds the four (4) hours per month to which City is entitled without charge, the awarded Contractor may charge City based on the hourly rates entered below.

	Hourly Rates
<b>Training</b>	\$ 250.00
<b>Consulting and Meetings</b>	\$ 250.00

#### **G. Materials and Supplies**

Contractor may charge City for materials and supplies associated with rendering services for Service Categories 1, 2 and 3. Charges will be based on the % over cost markup entered below. Contractor must honor this percentage mark up over the contract term.

	% Mark Up over Cost
<b>Materials &amp; Supplies</b>	20%

## **2. Price Adjustments.**

**Materials and Supplies.** % Mark Up over Cost for Materials and Supplies shall be fixed for the term of the Agreement.

**Hourly Rates.** Contractor's Prices for the Services are to be firm for the first year of the Agreement. Thereafter, the City and Contractor may agree to increase Contractor's Prices in accordance with the following terms

#### **A. When to request a Price Adjustment:**

1. Requests for Price Adjustments must be made in writing to City.
2. Contractor may request Price Adjustments no sooner than twelve (12) months from the Proposal Due Date.
3. Only (1) one Price Adjustment shall be approved in any twelve (12) month period.
4. If approved, Price Adjustments will be implemented with an Amendment to this Agreement and shall be effective upon execution of the Amendment.

#### **B. How Price Adjustments will be Calculated:**

Requests for price adjustments under this Agreement must be supported by the U.S. Department of Labor's most recently published, **non-preliminary** Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers (CPI-W) available at the time of Contractor's Price Adjustment request:

**Series Id:** [CWURS49BSA0](#)

**Series Title:** All items in San Francisco-Oakland-Hayward, CA, urban wage earners and clerical workers, not seasonally adjusted

**Area:** San Francisco-Oakland-Hayward, CA

The requested rate change shall be calculated from the last requested Price Adjustment or, if no Price Adjustment has previously been requested, from the Proposal Due Date.

## Appendix C Regulatory and Compliance Requirements

### 1. Additional Services.

If, in the satisfaction of governmental interests it is necessary to purchase additional Services from Contractor, additional Services may be added to this Agreement by mutual agreement of the Parties in accordance with Chapter 21 of the San Francisco Administrative Code.

### 2. Regulatory Requirements

Contractor shall comply with all regulatory requirements set forth in Appendix A, Scope of Work throughout the Agreement Term.

### 3. Other Requirements.

- A. **Hours of Operation:** Contractor must maintain normal business hours of at least 8:00 A.M. to 5:00 P.M., Monday through Friday throughout the term of the Agreement, and be open at all times during that period.
- B. **Support:** Contractor shall be responsible for providing technical support and assistance to City through Contractor's own personnel, equipment and facilities as well as through manufacturer's technical representatives. As part of this technical support and assistance, Contractor shall provide personnel with in-depth technical knowledge of the products Contractor is providing under this Agreement, to answer questions and offer any assistance required by City personnel, during City business hours (8:00 A.M. – 5:00 P.M.).
- C. **Infectious Disease Terms:** Contractors required to perform physical activities on City property that places Contractor or its employees in proximity to medical patients, including but not limited to San Francisco Department of Public Health facilities where patient care or counseling is performed, shall be subject to the following requirements, as applicable:
  - 1. **Infection Control, Health and Safety:**
    - a. Contractor must have a Bloodborne Pathogen (BBP) Exposure Control plan for its employees, agents and subcontractors as defined in the California Code of Regulations, Title 8, Section 5193, Bloodborne Pathogens (<http://www.dir.ca.gov/title8/5193.html>), and demonstrate compliance with all requirements including, but not limited to, exposure determination, training, immunization, use of personal protective equipment and safe needle devices, maintenance of a sharps injury log, post-exposure medical evaluations, and recordkeeping.
    - b. Contractor must demonstrate personnel policies/procedures for protection of its employees, agents, subcontractors and clients from other communicable diseases prevalent in the population served. Such policies and procedures shall include, but not be limited to, work practices, personal protective equipment, staff/client Tuberculosis (TB) surveillance, training, etc.

- c. Contractor must demonstrate personnel policies/procedures for Tuberculosis (TB) exposure control consistent with the Centers for Disease Control and Prevention (CDC) recommendations for health care facilities and based on the Francis J. Curry National Tuberculosis Center: Template for Clinic Settings, as appropriate.
- d. Contractor must demonstrate personnel policies/procedures for COVID-19 exposure control consistent with CDC recommendations, Cal/OSHA regulations, SF DPH Health Orders, Directives, and Guidance. The Contractor's attention is directed to Cal/OSHA's new 8 CCR 3205 COVID-19 Prevention Emergency Temporary Standard and/or any successor regulations.
- e. Contractor is responsible for site conditions, equipment, health and safety of their employees, and all other persons who work or visit the job site.
- f. Contractor shall assume liability for any and all work-related injuries/illnesses including infectious exposures such as BBP and TB and demonstrate appropriate policies and procedures for reporting such events and providing appropriate post-exposure medical management as required by State workers' compensation laws and regulations.
- g. Contractor shall comply with all applicable Cal-OSHA standards including maintenance of the OSHA 300 Log of Work-Related Injuries and Illnesses.
- h. Contractor assumes responsibility for procuring all medical equipment and supplies for use by its employees, agents and subcontractors, including safe needle devices, and provides and documents all appropriate training.
- i. Contractor shall demonstrate compliance with all state and local regulations with regard to handling and disposing of medical waste.

**2. Aerosol Transmissible Disease Program, Health and Safety:**

- a. Contractor must have an Aerosol Transmissible Disease (ATD) Program as defined in the California Code of Regulations, Title 8, Section 5199, Aerosol Transmissible Diseases (<http://www.dir.ca.gov/Title8/5199.html>), and demonstrate compliance with all requirements including, but not limited to, exposure determination, screening procedures, source control measures, use of personal protective equipment, referral procedures, training, immunization, post-exposure medical evaluations/follow-up, and recordkeeping.
- b. Contractor shall assume liability for any and all work-related injuries/illnesses including infectious exposures such as Aerosol Transmissible Disease and demonstrate appropriate policies and procedures for reporting such events and providing appropriate post-exposure medical management as required by State workers' compensation laws and regulations.

- c. Contractor shall comply with all applicable Cal-OSHA standards including maintenance of the OSHA 300 Log of Work-Related Injuries and Illnesses.
- d. Contractor assumes responsibility for procuring all medical equipment and supplies for use by their employees, agents, subcontractors including Personnel Protective Equipment such as respirators, and provides and documents all appropriate training.
- e. If/when Contractor determines that they do not fall under the requirements of 8 CCR 5199 Contractor is directed to Cal/OSHA's Emergency Temporary Standard for COVID-19, 8 CCR 3205, which applies to all employers who do not fall under 8 CCR 5199 but for who's employees have potential for exposure to COVID-19.

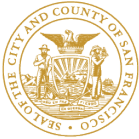
**D. Performance Metrics.** Contractor shall guarantee that its employees meet all performance requirements under this Agreement to the highest level of service. Failure to perform according to the Agreement's requirements, will result in a negative performance point and the application of a monetary credit in favor of the City each time a negative performance point threshold is exceeded.

- 1. Documentation.** Negative performance points will result from feedback and observations provided by City employees, in writing. Documentation will consist of a brief description of the performance failure incident, date, and approximate time of occurrence. City shall send a notification letter to Contractor notifying them when a threshold has been exceeded and when the credit will be applied.
- 2. Performance Thresholds and Credits to City.** The below performance thresholds will be enforced at the option of City. Once a performance threshold is exceeded, the City will be entitled to a monetary credit, in the amounts shown below, from Contractor. The City shall deduct an amount equal to the credit amount from any payment due or to become due to the Contractor under this Agreement.

<b>Performance Failure</b>	<b>Allowable Negative Performance Threshold Prior to Credit being Due to City</b>	<b>Credit Due to City When a Performance Threshold has been Exceeded</b>
Failure to perform services in accordance with the Response Times set forth in Appendix A.	3 times per contract	\$50 per incident.
Failure to complete <u>all</u> Service Category 1 deliverables for each Short-Term IPM service request: 1. Initial Inspection	2 times per contract	\$25 per incident.

<b>Performance Failure</b>	<b>Allowable Negative Performance Threshold Prior to Credit being Due to City</b>	<b>Credit Due to City When a Performance Threshold has been Exceeded</b>
2. Written Proposal 3. Post service reports		
Failure to complete <u>all</u> Service Category 2 deliverables for each On-Going IPM service request: 1. Initial Inspection 2. IPM plan preparation 3. IPM plan submission and approval 4. IPM plan revisions 5. Post service reports 6. Pest log books	2 times per contract	\$25 per incident.
Failure to adhere to professional and organizational codes of conduct.	3 times per contract	\$300
Failure to bill City accurately and in accordance with Appendix B.	None	\$25 for each incorrectly billed hour
Failure to produce records of pesticide applications performed under this Agreement no later than 15 business days from the date of City's request.	1 time per contract	\$25 for each day beyond the permitted 15 business days.
Failure to post notices prior to and after use of pesticides in accordance with the IPM Ordinance.	None	\$300 for each violation.
Failure to use only chemical controls included on the City's Reduced-Risk Pesticide List (RRPL).	None	\$300 for each violation.
Failure to submit an exemption request and receiving City approval before use of pesticide products not on the RRPL.	None	\$300 for each violation.





**San Francisco Office of the City Administrator  
City Administrator Carmen Chu**

# **Citywide Integrated Pest Management Services (TC83592)**

*File 24-1152*

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Office of Contract Administration

Board of Supervisors' Budget and Finance Committee  
January 22, 2025

# Contract Summary

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- **PeopleSoft Contract ID:** 1000034718
- **Covered services:** Integrated Pest Management Services for property owned or leased by City.
- **Awarded contractor:** Agurto Corporation, dba Pestec (“Pestec”), selected through a Request for Proposals (“RFP”) through Sourcing Event ID 000009817 issued by the Office of Contract Administration (“OCA”) on August 8, 2024.
- **Initial contract not-to-exceed amount and duration:** \$15,500,000 and a total contract duration of five (5) years, with no options to extend.

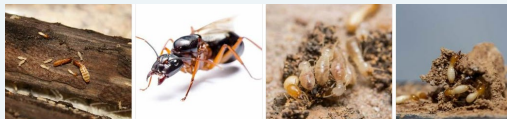
# What are IPM Services?

**Integrated Pest Management (IPM) services consist of:**

## **Structural IPM Services:**

Primarily on protecting and maintaining buildings, facilities, and other physical structures.

*Examples: termites, carpenter ants, beetles, and carpenter bees.*



**The City's IPM Program is overseen by the San Francisco Environment Department ("SFE")**

## **Public Health IPM Services:**

To manage pests that could spread diseases, contaminate food, or otherwise impact the health and well-being of people in the community.

*Examples: Mosquitoes, flies, rats, ticks, and other pests known to be disease vectors or health hazards.*



# SF Environment Code Chapter 3: Integrated Pest Management (“IPM”) Ordinance

1. Mandates City departments to **use environmentally safe practices** for pest control.
2. Requires the **implementation of IPM practices** that minimize risks to human health and the environment by prioritizing non-toxic or least-toxic pest control methods.
3. **Prohibits the use of certain pesticides.**
4. Requires **proper reporting, training, and public notifications** when pest management activities occur.



# Primary City Department Users of IPM Services

Department	Average Annual PO Encumbrance Amounts
PUC	918,796
MTA	724,480
DPH	674,159
LIB	157,866
ADM	150,779
PRT	125,358
POL	66,251
FIR	62,694
SHF	50,034
All Others	162,998
Total	<b>3,093,415</b>

# Sourcing Event 0000009817

---

- OCA received one proposal in response to the RFP.
- Evaluated by a panel of three members from the Recreation and Park Department, the Public Utilities Commission, and the Airport.
- Pestec was deemed the only and highest ranked proposer, receiving a total of 235 points out of 250 points.

Evaluation Phase	Maximum Points
Minimum Qualifications Documentation	Pass/Fail
Price Proposal	100 Points
Written Proposal	120 Points
Oral Interviews	30 Points
<b>TOTAL</b>	250 Points

# Contracted Services & Pricing

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- **Pricing Model:** Time and material. Hourly rates vary based on the specific service category and range from \$180-250/hour.
- **Service Categories:**
  - **Ongoing IPM Services.** On-going services to addresses chronic pest problems. Require a comprehensive IPM plan, intensive monitoring and on-going reporting.
  - **Short-Term IPM Services.** Provided on an as-needed basis. Do not warrant an IPM plan or intensive monitoring.
  - **Emergency IPM Services.** Addresses urgent pest problems. Do not warrant an IPM plan or intensive monitoring
  - **IPM Meetings, Consulting, and Training:** Attend monthly IPM meetings and provide consulting and training services. Up to 4 free hours per month.

# Proposed NTE Calculations

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- Pestec's total Bid Price was \$2,681,691 per year.
- Taking into account a 15% contingency, this comes to approximately \$15,500,000 for the 5-year term of the contract

Total Bid Price	\$ 2,681,691
Contract Duration (Years)	5
Initial Contract NTE	\$13,408,456
+ Contingency (15%)	\$2,011,268
Total Estimated Initial Contract NTE	\$15,419,725
Total Estimated Initial Contract NTE (Rounded to nearest 100,000)	<b>\$15,500,000</b>



# Conclusion

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- The City manages a vast network of public buildings, including hospitals and government offices.
- IPM services are essential for controlling pests, preventing infestations, and ensuring safe and sanitary conditions in these buildings.
- The PUC, in particular, relies heavily on IPM services to maintain the efficiency of its water treatment facilities, sewage systems, and water distribution networks.
- By ensuring City's focus on proactive pest management, this contract will support overall public health and safety, as well as the City's long-term environmental sustainability efforts.

President, District 8  
BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689  
Tel. No. 554-6968  
Fax No. 554-5163  
TDD/TTY No. 544-5227

**RAFAEL MANDELMAN**

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**PRESIDENTIAL ACTION**

Date: 1/16/25

To: Angela Calvillo, Clerk of the Board of Supervisors

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Madam Clerk,  
Pursuant to Board Rules, I am hereby:

☐ Waiving 30-Day Rule (Board Rule No. 3.23)

File No. \_\_\_\_\_

\_\_\_\_\_  
(Primary Sponsor)

Title. \_\_\_\_\_

☐ Transferring (Board Rule No 3.3)

File No. \_\_\_\_\_

\_\_\_\_\_  
(Primary Sponsor)

Title. \_\_\_\_\_

From: \_\_\_\_\_ Committee

To: \_\_\_\_\_ Committee


☒ Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: Dorsey Replacing Supervisor: Melgar

For: 1/22/25 Budget & Finance Meeting  
(Date) (Committee)

Start Time: \_\_\_\_\_ End Time: \_\_\_\_\_

Temporary Assignment: ☐ Partial ☒ Full Meeting

  
\_\_\_\_\_  
Rafael Mandelman, President  
Board of Supervisors



## 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 #: 241152

Bid/RFP #: 0000009817

### 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

<b>TYPE OF FILING</b>	<b>DATE OF ORIGINAL FILING (for amendment only)</b>
Original	
<b>AMENDMENT DESCRIPTION – Explain reason for amendment</b>	

#### 2. CITY ELECTIVE OFFICE OR BOARD

<b>OFFICE OR BOARD</b>	<b>NAME OF CITY ELECTIVE OFFICER</b>
Board of Supervisors	Members

#### 3. FILER'S CONTACT

<b>NAME OF FILER'S CONTACT</b>	<b>TELEPHONE NUMBER</b>
Angela Calvillo	415-554-5184
<b>FULL DEPARTMENT NAME</b>	<b>EMAIL</b>
Office of the Clerk of the Board	Board.of.Supervisors@sfgov.org

#### 4. CONTRACTING DEPARTMENT CONTACT

<b>NAME OF DEPARTMENTAL CONTACT</b>	<b>DEPARTMENT CONTACT TELEPHONE NUMBER</b>
Adrian Briones	628-652-1653
<b>FULL DEPARTMENT NAME</b>	<b>DEPARTMENT CONTACT EMAIL</b>
OCA Office of Contract Administration	adrian.briones@sfgov.org

5. CONTRACTOR	
<b>NAME OF CONTRACTOR</b> Agurto Corporation, dba Pestec	<b>TELEPHONE NUMBER</b> 415-671-0300
<b>STREET ADDRESS (including City, State and Zip Code)</b> 3450 3rd St, 3F San Francisco CA 94124	<b>EMAIL</b> luis@pestecipm.com

6. CONTRACT		
<b>DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)</b>	<b>ORIGINAL BID/RFP NUMBER</b> 0000009817	<b>FILE NUMBER (If applicable)</b> 241152
<b>DESCRIPTION OF AMOUNT OF CONTRACT</b> \$15,500,000		
<b>NATURE OF THE CONTRACT (Please describe)</b> <p>This contract is for citywide procurement of Integrated Pest Management (IPM) Services. The proposed contract will have a not to exceed ("NTE") amount of \$15,500,000 with a total contract duration of five (5) years.</p>		

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	Agurto	Luis	CEO
2	Couture-Agurto	Valarie	COO
3			
4			
5			
6			
7			
8			
9			
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12			
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18			
19			

**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
20			
21			
22			
23			
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25			
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27			
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33			
34			
35			
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38			

**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
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
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.**

<b>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</b>	<b>DATE SIGNED</b>
BOS Clerk of the Board	



DATE: November 4, 2024  
TO: Angela Calvillo, Clerk of the Board  
FROM: Taraneh Moayed, Assistant Director of Office of Contract Administration (OCA)  
SUBJECT: Resolution to approve Peoplesoft Contract ID 1000034718 (TC 83592) for Citywide Integrated Pest Management Services

Enclosed please find the proposed Resolution from the Office of Contract Administration (OCA) requesting that the Board of Supervisors authorize Contract 1000034718 with Agurto Corporation, dba Pestec ("Pestec") for citywide integrated pest management services. The proposed contract will have an initial not to exceed ("NTE") amount of \$15,500,000 and a total contract duration of five (5) years. The anticipated contract start date is February 15, 2025.

### **Background**

This contract is part of the Integrated Pest Management Program ("IPM Program") for property owned or leased by City in accordance with Chapter 3 of the San Francisco Environment Code ("IPM Ordinance"). An IPM Program is an ecosystem-based strategy that focuses on long-term prevention of pests or their damage through a combination of techniques such as biological control, habitat manipulation, modification of cultural practices, and use of resistant varieties.

Between 2021 and 2023, City departments encumbered approximately \$9.3 million dollars for the procurement of Integrated Pest Management Services, or an average of \$3 million dollars per year. Total PO encumbrances by City departments during this period is provided in Table 1 below.

**Table 1: Total PO Encumbrances by City Departments for IPM Services between 2021 to 2023**

Departments	2021	2022	2023	Total	Annual Average
PUC	\$ 767,181	\$ 1,012,747	\$ 976,462	\$ 2,756,389	\$ 918,796
MTA	\$ 731,994	\$ 958,476	\$ 482,969	\$ 2,173,439	\$ 724,480
DPH	\$ 581,430	\$ 735,383	\$ 705,663	\$ 2,022,476	\$ 674,159
LIB	\$ 116,369	\$ 200,512	\$ 156,718	\$ 473,599	\$ 157,866
ADM	\$ 111,939	\$ 193,410	\$ 146,986	\$ 452,336	\$ 150,779
PRT	\$ 5,375	\$ 156,297	\$ 214,402	\$ 376,074	\$ 125,358
POL	\$ 76,006	\$ 38,900	\$ 83,847	\$ 198,753	\$ 66,251
FIR	\$ 103,877	\$ 40,961	\$ 43,245	\$ 188,083	\$ 62,694
SHF	\$ 16,620	\$ 56,162	\$ 77,321	\$ 150,103	\$ 50,034
All Others	\$ 116,818	\$ 184,732	\$ 187,444	\$ 488,994	\$ 162,998
<b>Total</b>	<b>\$ 2,627,609</b>	<b>\$ 3,577,579</b>	<b>\$ 3,075,057</b>	<b>\$ 9,280,246</b>	<b>\$ 3,093,415</b>

During this period, City departments procured Integrated Pest Management Services through a combination of OCA Term Contracts, department issued contracts and stand-alone purchase orders not associated with any contracts. As shown in Table 2 below, the bulk of these purchases (nearly 90%) is associated with Term Contracts established through OCA, making OCA's contracts essential to maintaining City operations.





**Table 2: Total PO Encumbrances by PS Contract ID between 2021-2024 for Integrated Pest Management Services**

Departments	2021	2022	2023	Total
1000001665 (OCA TC)	\$ 650,847			\$ 650,847
1000022888 (OCA TC)	\$ 966,375	\$ 3,543,796	\$ 3,036,612	\$ 7,546,783
No Contract	\$ 1,010,387	\$ 33,783	\$ 38,446	\$ 1,082,616
<b>Total</b>	<b>\$ 2,627,609</b>	<b>\$ 3,577,579</b>	<b>\$ 3,075,057</b>	<b>\$ 9,280,246</b>

### **Purchasing Authority (Sourcing Event 000009817)**

OCA's existing contract for Integrated Pest Management ("IPM") services, PS Contract ID 1000034718, is with Agurto Corporation DBA Pestec. This contract began on October 1, 2021, and is set to expire on December 31, 2024.<sup>1</sup> In anticipation of replacing PS Contract ID 1000034718, OCA issued a Request for Proposals ("RFP") on August 8, 2024, under Sourcing Event 000009817. OCA received one proposal in response to the RFP. The proposal was evaluated by a panel of three members from the Recreation and Park Department, the Public Utilities Commission, and the Airport, based on the criteria outlined in Table 3. Based on their combined scores, Pestec was deemed the only and highest ranked proposer, receiving a total of 235 points out of 250 points:

**Table 3: Sourcing Event 000009817 Evaluation Criteria**

Evaluation Phase	Maximum Points
Minimum Qualifications Documentation	Pass/Fail
Price Proposal	100 Points
Written Proposal	120 Points
Oral Interviews	30 Points
<b>TOTAL</b>	<b>250 Points</b>

### **Scope of Services**

Under proposed Contract 1000034718, Pestec will provide IPM Services for property owned or leased by City. The City's IPM Program includes Structural IPM Services and Public Health IPM Services. Structural IPM Services include the performance of any work for the purpose of preventing, controlling, or eliminating pests that may invade City buildings, properties, or other structures. Structural pests may include, but are not limited to, insects, rodents, and birds. In contrast, Public Health IPM Services include the performance of any work for the purpose of preventing or managing pests that pose a vector or other health hazard. Public Health pests may include, but are not limited to, structural pests, mosquitoes, feral cats or other individual vertebrates, and dead vertebrates. A detailed description of the services to be performed by Pestec can be found in Appendix A of the contract.

### **Pricing Structure**

Pricing under this contract is based on hourly rates for the following four Service Categories:

- 1. Service Category 1: Short-Term IPM Services.** This category of services addresses minor pest

<sup>1</sup> As per the solicitation conducted for OCA Contract ID 1000022888, this contract can be extended through September 30, 2028. However, OCA has elected not to extend this contract because its NTE would be increased to \$25,300,000, an amount that is approximately four times what OCA had advertised when it issued the solicitation that resulted in its award. To ensure fair competition, OCA determined it would be in the best interest of City to rebid this contract with a solicitation that advertised a more accurate NTE.



problems that can generally be solved in one or two service calls. It is best suited to small facilities or offices with no history of chronic pest problems. Short-Term IPM Services are provided on an as-needed basis and do not warrant preparation of a complete written IPM plan or intensive monitoring.

2. **Service Category 2: Ongoing IPM Services.** This category of services addresses more complex or chronic pest problems, and is suited for larger facilities, or any situation where pest management is required on a regular basis (i.e., where the pest problem cannot be solved in one or two service calls). The “Ongoing IPM Service” rate is applicable only to facilities that have a signed, current IPM plan.
3. **Service Category 3: Emergency IPM Services.** This category of services addresses urgent pest problems that must be addressed as soon as is practical. They are not return visits resulting from other routine services provided under the Contract.
4. **Service Category 4: IPM Meetings, Consulting, and Training Services:** This category of services requires the contractor to provide, free of charge, four (4) hours per month of IPM meetings, consulting, and training services (including any combination thereof). Unused hours cannot be carried over by City into future months. Once City exceeds the four (4) hours per month to which City is entitled without charge, the contractor may charge City based on applicable hourly rates.

In addition to charging City an hourly rate for various services, Pestec may also charge City 20% above Pestec’s cost for purchasing the materials and supplies associated with rendering services for Service Categories 1, 2 and 3.

Finally, Pestec may request price adjustments beginning 12 months from the Proposal Due Date of September 9, 2024, and, thereafter, every twelve 12 months. Requests for price adjustments must be supported by the U.S. Department of Labor’s Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers (CPI-W) available at the time of Contractor’s Price Adjustment request.

A detailed breakdown of Pestec’s hourly rates by Service Category can be found in Appendix B of the contract.

### **Performance Metrics**

Pestec must comply with all Contract terms and requirements. However, its failure to comply with certain requirements (“Performance Metrics”) may entitle City to a monetary credit which can be deduct from any payment due to Pestec under the contract. The Performance Metrics for which monetary credit may be due to City include:

- 1) Failure to perform services in accordance with the Response Times set forth in the Scope of Work.
- 2) Failure to complete all Service Category 1 deliverables for each Short-Term IPM service request.
- 3) Failure to complete all Service Category 2 deliverables for each On-Going IPM service request.
- 4) Failure to adhere to professional and organizational codes of conduct.
- 5) Failure to bill City accurately and in accordance with the contract.
- 6) Failure to produce records of pesticide applications performed under the contract no later than 15 business days from the date of City’s request.
- 7) Failure to post notices prior to and after use of pesticides in accordance with the IPM Ordinance.
- 8) Failure to use only chemical controls included on the City’s Reduced-Risk Pesticide List (RRPL).
- 9) Failure to submit an exemption request and receiving City approval before use of pesticide products not



on the RRPL

Details pertaining to each Performance Metric can be found in Appendix C of the contract.

### **Contract NTE Calculations**

Sourcing Event 0000009817 stated that a contract awarded pursuant to that solicitation would have an NTE amount of \$15,000,000, based on City's estimated spend of approximately \$250,000 per month over the advertised contract term. The solicitation also stated that should City's actual spend exceed its estimated spend, City may in its sole discretion increase the contract NTE accordingly.

Here, Pestec's total Bid Price was \$2,681,691 per year, or \$15,419,725 over five years without accounting for future price adjustments as permitted by the Contract. Based on this, OCA estimates an initial contract NTE of \$15,500,000 for the 5-year term of the contract, the details of which are provided in Table 4.

**Table 4: Contract NTE Calculations for Contract ID 1000022888 with Pestec**

Total Bid Price	\$ 2,681,691
Contract Duration (Years)	5
Initial Contract NTE	\$ 13,408,456
+ Contingency (15%)	\$ 2,011,268
<b>Total Estimated Initial Contract NTE</b>	<b>\$ 15,419,725</b>
<b>Total Estimated Initial Contract NTE (Rounded to nearest 100,000)</b>	<b>\$ 15,500,000</b>

### **Recommendation**

The City manages a vast network of public buildings, including hospitals and government offices, where IPM services are essential for controlling pests, preventing infestations, and ensuring safe and sanitary conditions for employees and the public. IPM Services are also critical to maintaining city infrastructure, disaster preparedness, and water management.

The PUC, in particular, relies heavily on IPM services to maintain the efficiency of water treatment facilities, sewage systems, and water distribution networks. These services are vital to public health by preventing infestations that could compromise these critical systems. Additionally, IPM services are crucial in protecting water lines and sewage systems from damage during and after seismic events.

For emergency response departments, such as the Fire and Police stations, a robust IPM program ensures these essential services continue to function effectively during natural disasters. Furthermore, the City's focus on proactive pest management supports overall public health and safety, as well as the City's long-term environmental sustainability efforts.

For these reasons, a timely approval of this resolution will provide City departments access to acquire services through a comprehensive citywide integrated pest management contract.

If you have any questions or require additional information, please contact Adrian Briones on my team at (628) 652-1653.

**City and County of San Francisco**  
London N. Breed, Mayor



**Office of the City Administrator**  
Carmen Chu, City Administrator  
Sailaja Kurella, Director  
Office of Contract Administration/Purchasing

**Enclosures:**

1. Contract 1000034718 Proposed Agreement
2. Contract 1000034718 Ethics Form 126f(2)
3. Contract 1000034718 Ethics Form 126f(4)
4. Contract 1000034718 Resolution