

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

Agreement between the City and County of San Francisco and

PGH Wong-MCK JV

**Contract No. 8768.41
Project Management Support Services for
The Airport Hotel Program**

This Agreement is made this **20th day of January, 2015**, in the City and County of San Francisco, State of California, by and between: **PGH Wong-MCK JV, 182 2nd Street, Suite 500, San Francisco, California 94105** (the "Contractor") and the City and County of San Francisco, a municipal corporation (the "City"), acting by and through its Airport Commission (the "Commission").

Recitals

- A. The Commission wishes to engage Contractor to provide Project Management Support Services for the Airport Hotel Program for the San Francisco International Airport (the "Airport" or "SFO"); and,
- B. The Commission is authorized to enter into all contracts which relate to matters under its jurisdiction; and
- C. On September 15, 2014, the Commission issued a Request for Proposals ("RFP") and as a result of the selection process prescribed in the RFP and upon the recommendation of the Airport Director, the Commission determined that the Contractor was the qualified proposer receiving the highest evaluation score; and
- D. On **January 20, 2015**, by Resolution No. **15-0003**, the Commission awarded this Agreement to the Contractor; and
- E. Approval for this Agreement was obtained when the Civil Service Commission approved PSC No. 44959-14/15 on December 15, 2014; and
- F. The Contractor represents and warrants that it is qualified to perform the services required by City under this Agreement;

Now, THEREFORE, the parties agree as follows:

Terms and Conditions

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

terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

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

2. Term of the Agreement. Subject to Section 1, the term of this Agreement shall be the duration of twelve (12) months, starting on the first working day following contract certification. The Commission has the option to extend this Agreement for a term of up to forty-two (42) months.

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

4. Services Contractor Agrees to Perform. The Contractor agrees to perform the services provided for in Appendix A, "Services to be Provided by Contractor," attached hereto and incorporated by reference as though fully set forth in this Agreement consistent with the skill and care ordinarily applied by professionals performing similar services at the same time and locality. If Appendix A includes as-needed services, such services shall be requested by City through the issuance of a written task order signed by City and Contractor, which task order shall be made a part of and incorporated into the Agreement as though fully set forth in this Agreement without the need for a formal amendment to the Agreement. The task order shall include a description of the as-needed services, the deliverables, schedule for performance, cost, and method and timing of payment.

5. Compensation. Compensation shall be made in monthly payments on or before the last day of each month for work, as set forth in Section 4 of this Agreement, that the Deputy Airport Director, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed **Two Million Nine Hundred Thirty-Eight Thousand Dollars (\$2,938,000)**. Any compensation increases, including for services beyond the first twelve (12) months of this Agreement, shall require the approval of the Airport Commission. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth in this Agreement. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by Design and Construction as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

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

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

8. **Submitting False Claims; Monetary Penalties.** Pursuant to San Francisco Administrative Code §§6.80-6.83, any contractor, subcontractor, supplier, consultant or subconsultant who submits a false claim shall be liable to the City for the statutory penalties set forth in those sections. The text of Sections 6.80-6.83, along with the entire San Francisco Administrative Code is available on the web at: [http://www.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$sync=1](http://www.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$sync=1). A contractor, subcontractor, supplier, consultant or subconsultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

9. **Disallowance. NOT APPLICABLE**

10. **Taxes**

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

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

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

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

10.2.3 Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns

to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

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

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

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

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

14. Independent Contractor; Payment of Taxes and Other Expenses

14.1 Independent Contractor. Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor. Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

14.2 Payment of Taxes and Other Expenses. Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount

due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability). A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in City's financial liability so that City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance

15.1 Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor, or each of Contractor's Joint Venture Partners, must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverage:

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

15.1.2 Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

15.1.3 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.

15.1.4 Professional liability insurance, applicable to Contractor's profession, with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement. If the Contractor is a Joint Venture, each member of the Joint Venture must maintain individual Professional Liability insurance and each policy must include 'Joint Venture' coverage but only for the liability arising out of the professional services performed by the Joint Venture member. The Contractor may be asked to provide all applicable policies for verification of coverage.

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

15.2.1 Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees. If the Contractor is a Joint Venture, each Joint Venture Partner's policies must be endorsed to include each other Joint Venture partner AND the Joint Venture as additional insureds.

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

15.3 Regarding Workers' Compensation, Contractor, and each Joint Venture Partner, hereby agrees to waive subrogation which any insurer of Contractor or any Joint Venture Partner may acquire from Contractor or a Joint Venture Partner by virtue of the payment of any loss. Contractor and each Joint Venture Partner agree to obtain any endorsement that may be necessary to effect this waiver of subrogation. Each Workers' Compensation policy shall be endorsed with a waiver of subrogation in

favor of the City for all work performed by the Contractor or any Joint Venture Partner, their employees, agents and subcontractors.

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

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

15.6 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.

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

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

15.9 Approval of the insurance by City shall not relieve or decrease the liability of Contractor under this Agreement.

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

16. Indemnification.

Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against

the City. In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter. Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

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

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

19. Liquidated Damages. NOT APPLICABLE

20. Default; Remedies

20.1 Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

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

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|-----------------------------------------------------|---------------------------------------|
| 8. Submitting False Claims; Monetary Penalties. | 37. Drug-Free Workplace Policy |
| 10. Taxes | 53. Compliance with Laws |
| 15. Insurance | 55. Supervision of Minors |
| 24. Proprietary or Confidential Information of City | 57. Protection of Private Information |
| 30. Assignment | |

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

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

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

20.2 On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

20.3 All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available under this Agreement or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

21. Termination for Convenience

21.1 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. The notice shall specify the date on which termination shall become effective.

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

21.2.1 Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by City.

21.2.2 Not placing any further orders or subcontracts for materials, services, equipment or other items.

21.2.3 Terminating all existing orders and subcontracts.

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

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

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

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

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

21.3.1 The reasonable cost to Contractor, without profit, for all services and other work City directed Contractor to perform prior to the specified termination date, for which services or work City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

21.3.2 A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of City, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

21.3.3 The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the City or otherwise disposed of as directed by the City.

21.3.4 A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of 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.

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

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

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

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

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| 8. Submitting False Claims | 24. Proprietary or Confidential Information of City |
| 9. Disallowance | 26. Ownership of Results |

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|-----------------------------------------------------------------|---------------------------------------------------------|
| 10. Taxes | 27. Works for Hire |
| 11. Payment does not imply Acceptance of Work | 28. Audit and Inspection of Records |
| 13. Responsibility for Equipment | 48. Modification of Agreement. |
| 14. Independent Contractor; Payment of Taxes and Other Expenses | 49. Administrative Remedy for Agreement Interpretation. |
| 15. Insurance | 50. Agreement Made in California; Venue |
| 16. Indemnification | 51. Construction |
| 17. Incidental and Consequential Damages | 52. Entire Agreement |
| 18. Liability of City | 56. Severability |
| | 57. Protection of Private Information |

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

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

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

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

To City: Sarah Garcia
 Airport Project Manager
 San Francisco International Airport
 P.O. Box 8097
 San Francisco, California 94128
 Email: sarah.garcia@flysf.com
 Fax: (650) 821-9410

To Contractor: Clifford S. M. Wong
 Principal-in-Charge
 PGH Wong/MCK JV
 182 2nd Street, Suite 500

San Francisco, California 94105
Email: cliff@pghwong.com
Fax: (415) 566-6030

Any notice of default must be sent by registered mail.

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

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

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

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

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

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

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

32.1 Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12T "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Administrative Code (Chapter 12T), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at http://www.amlegal.com/nxt/gateway.dll?f=templates&fn=default.htm&vid=amlegal:sanfrancisco_ca. A partial listing of some of Contractor's obligations under Chapter 12T is set forth in this Section. Contractor is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12T.

32.2 The requirements of Chapter 12T shall only apply to the Contractor's or Subcontractor's operations to the extent those operations are in furtherance of the performance of this Agreement, and shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, whose employment is or would be in whole or in substantial part physically located in the City and County of San Francisco, which excludes Airport property.

32.2.1 Applicants or employees who would be or are performing work in furtherance of this Agreement may be required to be screened by the U.S. Department of Homeland Security for security badging. A rejection by the U.S. Department of Homeland Security of an applicant's or employee's security badging application, and the resulting inability of the Contractor to hire the applicant or assign the employee to perform services under this Agreement, shall not be considered an Adverse Action under Chapter 12T.

32.3 Contractor shall incorporate by reference in all subcontracts the provisions of Chapter 12T, and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

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

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

32.6 Contractor or Subcontractor shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment to be performed under this Agreement, that the Contractor or Subcontractor will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

32.7 Contractor and Subcontractors shall post the notice prepared by the Office of Labor Standards Enforcement (OLSE), available on OLSE's website, in a conspicuous place at every workplace, job site, or other location under the Contractor or Subcontractor's control at which work is being done or will be done in furtherance of the performance of this Agreement. The notice shall be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the workplace, job site, or other location at which it is posted.

32.8 Contractor understands and agrees that if it fails to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T, including but not limited to, a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Agreement.

33. Local Business Enterprise Utilization; Liquidated Damages

33.1 The LBE Ordinance. Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

33.2 Compliance and Enforcement

33.2.1 Enforcement. If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Contract Monitoring Division ("CMD") or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of CMD") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of CMD will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17. By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the CMD shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City. Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of CMD or the Controller upon request.

33.2.2 Subcontracting Goals. The LBE subcontracting participation goal for this contract is 22%. Contractor shall fulfill the subcontracting commitment made in its bid or proposal. Each invoice

submitted to City for payment under this Agreement shall also be uploaded to the City's LBEUTS. Contractor is also required to enter subcontractor payment information and payment confirmation information into LBEUTS for each payment request. Failure to provide the required information for each invoice or payment request shall entitle City to withhold 20% of the amount of that invoice until the information is entered and the invoice uploaded into LBEUTS by Contractor. For more information regarding LBEUTS and training sessions, please go to <http://www.sfgov.org/LBEUTS>. Contractor shall not participate in any back contracting to the Contractor or lower-tier subcontractors, as defined in the LBE Ordinance, for any purpose inconsistent with the provisions of the LBE Ordinance, its implementing rules and regulations, or this Section.

33.2.3 Subcontract Language Requirements. Contractor shall incorporate the LBE Ordinance into each subcontract made in the fulfillment of Contractor's obligations under this Agreement and require each subcontractor to agree and comply with provisions of the ordinance applicable to subcontractors. Contractor shall include in all subcontracts with LBEs made in fulfillment of Contractor's obligations under this Agreement, a provision requiring Contractor to compensate any LBE subcontractor for damages for breach of contract or liquidated damages equal to 5% of the subcontract amount, whichever is greater, if Contractor does not fulfill its commitment to use the LBE subcontractor as specified in the bid or proposal, unless Contractor received advance approval from the Director of CMD and contract awarding authority to substitute subcontractors or to otherwise modify the commitments in the bid or proposal. Such provisions shall also state that it is enforceable in a court of competent jurisdiction. Subcontracts shall require the subcontractor to a) log into LBEUTS and confirm receipt of each payment from Contractor, b) maintain records necessary for monitoring each subcontractor's compliance with the LBE Ordinance for a period of three years following termination of this contract, and c) make such records available for audit and inspection by the Director of CMD or the Controller upon request.

33.2.4 Payment of Subcontractors. Contractor shall pay its subcontractors within three working days after receiving payment from the City unless Contractor notifies the Director of CMD in writing within ten working days prior to receiving payment from the City that there is a bona fide dispute between Contractor and its subcontractor and the Director waives the three-day payment requirement, in which case Contractor may withhold the disputed amount but shall pay the undisputed amount. Contractor further agrees, within ten working days following receipt of payment from the City, to file the CMD Payment Affidavit with the Controller, under penalty of perjury, that the Contractor has paid all subcontractors. The affidavit shall provide the names and addresses of all subcontractors and the amount paid to each. Failure to provide such affidavit may subject Contractor to enforcement procedure under Administrative Code §14B.17.

33.3 LBEUTS. The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of payment information into the Local Business Enterprise Utilization Tracking System (LBEUTS), a secure web-based tracking system. CMD will use the submitted information to monitor compliance with the 14B LBE Ordinance. If Contractor fails to upload the invoice or enter required information into LBEUTS and such failure is not explained to CMD's satisfaction, Controller may withhold 20% of the payment due pursuant to the invoice until Contractor enters the information into LBEUTS.

34. Nondiscrimination; Penalties

34.1 Contractor Shall Not Discriminate. In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business,

social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

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

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

34.4 Condition to Contract. As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division.

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

35. MacBride Principles—Northern Ireland. Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

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

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

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

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

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

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

42. Limitations on Contributions. Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further

acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

43. Requiring Minimum Compensation for Covered Employees

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

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

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

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

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

43.6 Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

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

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

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

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

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

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

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

44.4 Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors'

compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

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

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

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

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

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

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

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

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

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

45. First Source Hiring Program. This Section incorporates the requirements of the First Source Hiring Program pursuant to San Francisco Administrative Code Chapter 83 (entitled "First Source Hiring Program"). Contractor agrees to participate and comply with the provisions of the First Source Hiring Program. As part of the Contractor's Agreement with the City, the Contractor shall incorporate provisions of the First Source Hiring Program into any Joint Venture Partnership and shall require subcontractors to do the same. The Mayor's Office of Economic and Workforce Development is the Contractor's main contact for the First Source Hiring Program. For more information regarding First Source Hiring Program, please go to: <http://www.workforcedevelopmentsf.org/>.

45.1 Definitions. The provisions of Chapter 83 of the San Francisco Administrative Code apply to this Agreement. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided in this

Agreement. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

45.1.1 Entry Level Position: Any non-managerial position that requires either: (a) no education above a high school diploma or certified equivalency; or (b) less than two years training or specific preparation; and (c) shall include temporary positions and paid internships.

45.1.2 Trainee: A economically disadvantaged worker identified by the First Source Hiring Program as having the appropriate training, employment background and skill set for an available Entry Level Position specified by the Contractor.

45.2 First Source Hiring Goals.

45.2.1 Over the life of the Agreement, the Contractor shall make good faith efforts to hire a minimum number of Trainees referred by the First Source Hiring Program to fulfill available Entry Level Positions based on the Contractor Fee Schedule below:

Contractor Fee Schedule	Minimum Number of Trainees to be Hired (over the life of the contract)
\$0 – \$499,999	0
\$500,000 – \$899,999	1
\$900,000 – \$1,999,999	2
\$2,000,000 – \$4,999,999	3
\$5,000,000 – \$7,999,999	4
\$8,000,000 – \$10,999,999	5
\$11,000,000 – \$13,999,999	6
(> = \$14M, for each additional \$3 million in Contractor fees, add one additional Trainee)	

45.2.2 Contractor may decline to hire a Trainee if the Contractor considers the Trainee in good faith and deems the Trainee is not qualified. The final decision to hire a Trainee shall be made by the Contractor.

45.2.3 The Contractor shall hire the Trainee on a full-time basis for at least 12 months or on part-time basis for 24 months.

45.2.4 Trainees must be obtained through the First Source Hiring Program and the Contractor must consider all Trainees fairly and equally and comply with the non-discrimination provisions pursuant to local, state and federal laws. No existing employee may count toward the total number of Trainees hired.

45.3 Procedures.

45.3.1 Within 30 days of award of contract, the Contractor will email the First Source Hiring Administrator and schedule to meet with staff from the First Source Hiring Program. At the meeting, the Contractor will provide information on Entry Level Positions, number of Trainees to be hired, job description, start date and rate of pay. If the Contractor cannot quantify the numbers of Trainees to be hired, the Contractor must still meet with the First Source Hiring Program and present a workforce plan of good faith efforts towards the First Source Hiring Goals.

45.3.2 Contractors are required to notify the First Source Hiring Program of all available Entry Level Positions.

45.3.3 Contractor will designate a representative to monitor all employment related activity and be the main contact for the First Source Hiring Program.

45.3.4 Contractor will maintain documentation and records supporting good faith efforts toward the First Source Hiring Program.

45.4 As-Needed Contracts. Contractors awarded As-Needed contracts shall follow the provisions of the First Source Hiring Program. However, the First Source Hiring Goals will not be based on each individual Contract Service Order (CSO) but rather from the total number of CSOs issued to the Contractor. Since a Contractor does not know when or how many CSOs will be issued, the Contractor shall hire Trainees only if the increase in CSOs creates entry-level employment opportunities.

45.5 Noncompliance. Failure to meet the criteria of the First Source Hiring Program does not impute bad faith but rather will trigger a review for compliance. If the City deems a Contractor is noncompliant and acted in bad faith towards the First Source Hiring Program, then the City may withhold progress payments and assess liquidated damages as defined in San Francisco Administrative Code Chapter 83.

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

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

48. Modification of Agreement. This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with Department to submit to the Director of CMD any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (CMD Contract Modification Form).

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

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

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

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

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

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

55. Supervision of Minors. NOT APPLICABLE

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

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

58. Graffiti Removal. Intentionally omitted.

59. Food Service Waste Reduction Requirements. Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated in this Agreement by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City

will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

60. Slavery Era Disclosure NOT APPLICABLE

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

62. Dispute Resolution Procedure. NOT APPLICABLE

63. Airport Intellectual Property. Pursuant to Resolution No. 01-0118, adopted by the Airport Commission on April 18, 2001, the Airport Commission affirmed that it will not tolerate the unauthorized use of its intellectual property, including the SFO logo, CADD designs, and copyrighted publications. All proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport (including subcontractors and subtenants) may not use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Airport Director's prior consent.

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

65. Federal Non-Discrimination Provisions. Contractor for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that Contractor shall maintain and operate the Airport facilities and services in compliance with all requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the

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

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

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

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.
By:  John L. Martin, Airport Director	I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.
Attest:	 Authorized Signature
By:  Jean Caramatti, Secretary Airport Commission	Clifford S. M. Wong Principal-in-Charge
Resolution No: 15-0003	 Authorized Signature
Adopted on: January 20, 2015	Brendan P. McDevitt Board of Control Member
Approved as to Form: Dennis J. Herrera City Attorney	PGH Wong-MCK JV 182 2 nd Street, Suite 500 San Francisco, California 94105 (415) 566-0800
By:  Heather Wolnick Deputy City Attorney	96831 City Vendor Number
	47-2534560 Federal Employer ID Number

Appendices

- A: Services to be provided by Contractor
- B: Calculation of Charges
- C: Strategic Plan 2011-2016
- D: Partnering Requirements



APPENDIX A SERVICES TO BE PROVIDED BY CONTRACTOR

This Appendix A attached to, and incorporated by reference in the Agreement made on **January 20, 2015** between the City and County of San Francisco, acting by and through its Airport Commission (Commission), and **PGH Wong-MCK JV** (Contractor) to provide Project Management Support Services (PMSS) for the Airport Hotel Program (Project) for the San Francisco International Airport (Airport).

The Contractor will provide project and construction management support for The Airport Hotel Program ("Program") which consists of three separate projects as follows:

1. Airport Hotel Project with a connecting bridge
2. New Air Train Station Project
3. Roadway Realignment Project (Managed separately by Airport Staff)

The terms "Design-Build" and "Design-Builder" describe Designers and Contractors across all project delivery methods, regardless of the method ultimately selected for these Projects.

Throughout the entire Program, the PMSS support will consist of project coordination, scheduling, cost estimating, project controls, and oversight of the Airport Hotel and New Air Train Station Projects. Contractor will be required to coordinate with Airport Staff who will manage the Roadway Realignment Project. Contractor will also coordinate, as required and identified by the Airport, with the Hotel Operator (not awarded as of the Effective Date of this Agreement) and the Air Train Operator (Bombardier) at all phases.

Contractor will be responsible for providing all the Services listed below, and must be able to provide all the staff necessary to oversee the Project.

1. PROJECT CONTROLS AND REPORTING

Contractor shall provide the following, but not be limited to, project controls and reporting services:

- 1.1** Contractor shall provide real time data inputs into the Airport's Project Management Control Systems. Information provided to the Airport. These inputs will be used to report on the progress of the Project including information on the Contractor and subcontractors' Work, percentage of completion of the Work, current estimates, forecasted contract growth, subcontract buyouts, updated monthly schedules, including projected time to completion and estimated cost to complete the Work, digital progress photographs, logs for Requests for Information, submittals and shop drawings, pending and approved change orders, meetings minutes, and other project metrics as requested by the Airport.
- 1.2** Utilize systems that are compatible with current Airport project control software. These include, but are not to be limited to, Primavera P6 EPPM (scheduling), CIP Planner (project financial

planning), OpenText eDocs (document control), Turner E.Docs (close-out documentation), Microsoft Outlook (email), AutoCAD, and Revit.

- 1.3 Diligently perform data entry into the project control system to ensure that real-time data is readily available. The Contractor shall perform quality control to reduce input error, thus enhancing consistency and accuracy in the reporting of all information.
- 1.4 Provide an environment that allows Design-Builders to uniformly exchange information relating to Project budgets, costs, estimates, risk, and schedule using the Stakeholder Engagement Process (SEP) to maintain transparency between interfacing with adjoining projects.
- 1.5 Produce reports and deliverables that meet Airport requirements. Reports and deliverables shall be in electronic format to the greatest extent possible; however, at the request of the Airport, hard copy color duplicates shall also be made available. The reports and deliverables shall include, but are not limited to, the following:
 - 1.5.1 A written monthly report to the Airport on services provided to the Airport under this Agreement in a format consistent with the Airport reporting process. Contractor will report on its progress and any problems in performing the Work of which Contractor becomes aware.
 - 1.5.2 Project cost and budget reports as part of the required monthly report in a format determined by the Airport to include total Project budget amounts, total Project cost to date, earned value estimates, trends and forecasts. Reports shall include costs and payments to Designer-Builders, and Airport cost and expenses.
 - 1.5.3 Update schedules by monitoring progress in relationship to the existing baseline schedules for adjoining projects. Prepare detailed monthly schedule reports and schedule trend reports. Provide schedule recovery recommendations on a monthly basis and anticipated schedule phases.
 - 1.5.4 Prepare a monthly cash flow and trend reports and additional reports as requested by the Airport.
 - 1.5.5 Report all potential and anticipated Project risks and issues. Provide cost recovery recommendations on a monthly basis.
 - 1.5.6 Quality assurance and quality control processes and how these are being engaged on a monthly basis.
 - 1.5.7 As requested, prepare other reports so that varying levels of details can be communicated to different management levels within the Airport organization as well as to the Public. Contractor shall provide reports monthly, quarterly, annually, or at other frequencies to be determined by the Airport.
 - 1.5.8 Prepare a monthly safety report.

2. PROJECT SCHEDULING SERVICES

Contractor shall be prepared to support Airport project scheduling and analyses, and to incorporate all three (3) projects' schedules within the Program in the following manner:

- 2.1 Compile and provide applicable schedules from Airport staff, contracted Operators, Design-Builders, and other agencies to prepare a Level 1 schedule for the Project. The Level 1, or Contract Master Schedule, is a summary level schedule that establishes key completion objectives for the Project. At a minimum, it defines the overall period of performance, major milestones, contractual milestones, contract deliveries, and other major project phases. It also shows milestones that interface with other adjoining projects.
- 2.2 Verify and validate Level 2 schedules provided by the Design-Builders. The Level 2, or Intermediate Schedule, should contain a detailed reflection of the activities that must be accomplished to achieve the Level 1 schedule objectives. At a minimum, the Level 2 schedule shall include contractually required deliveries of critical long lead items, hardware, software, and performance requirements.
- 2.3 Verify and validate Level 3 schedules provided by Design-Builders. The Level 3, or Detailed Schedule, contains a detailed set of activities that must be accomplished to achieve Level 2 schedule objectives. This schedule should contain enough detail for the Airport Project Manager to plan, direct, and monitor the completion of work and to reliably calculate the Project's critical path. The Level 3 schedule shall reflect the Contractor's review and monitoring of construction schedules and the coordination of those schedules with other Airport projects, either planned or ongoing.
- 2.4 Identify and analyze dependencies, controls, and interfaces among the Project, with other airport operational activities, and/or with external projects and perform alternative analysis project sequence to optimize Project delivery within the Level 3 schedule.
- 2.5 Develop, review, update, and monitor project schedules to the required management level during all Project phases as directed by the Airport Project Manager.

3. PROJECT BUDGET AND ESTIMATING SERVICES

Contractor shall support Airport financial analyses by performing the following:

- 3.1 Prepare and review Project hard and soft cost budget estimates, resulting in the establishment of the Project baseline budget. The estimates shall follow a Work Breakdown Structure consistent with Airport requirements.
- 3.2 Analyze financial consequences of design alternatives, alternatives resulting from value engineering reviews of design and construction techniques, and costs due to site and schedule constraints.
- 3.3 Provide project level cost and trend management services.
- 3.4 Provide a wide range of cost estimates, including pre-construction, concept, budgetary, design, construction, and engineer's estimates.
- 3.5 Utilize the cost management system provided by the Airport.
- 3.6 Establish, review, and support Airport staff in making appropriate budgetary contingencies and reviewing Project risks.

- 3.7 Provide budget and funding report services, documenting sources of funds and cash flow projections for the Project.
- 3.8 Develop and maintain procedures to forecast Project costs and advise the Airport on corrective actions if forecasted budgets are to be exceeded.
- 3.9 Prepare and review life cycle costs including operations and maintenance costs.
- 3.10 Prepare and review cost benefit analysis.
- 3.11 Reconcile the Project scope with appropriate budgets.
- 3.12 Prepare preliminary estimates of construction costs and times of completion for the Project.

4. DOCUMENT CONTROL SERVICES

Contractor shall provide, but not be limited to, the following document control services:

- 4.1 Use Airport's document control system and tools for the project and provide training.
- 4.2 Maintain all the Project documentation in an integrated, accessible electronic format with hard copy stored in a retrievable system as directed by the Airport.
- 4.3 Maintain status logs of Project documents such as design activities and status, requests for information, submittals, substitution requests, etc.
- 4.4 Develop and maintain systems for the efficient distribution of project documents to Design-Builders, external agencies, City departments, and other stakeholders as directed.

5. AIRPORT STRATEGIC PLAN

Contractor shall assist in the advancement of the Mission, Vision, Overall Goals, and Core Values in the Airport Strategic Plan, Appendix C of this Agreement.

6. PARTNERING

Contractor shall participate in and provide for formal Partnering facilitation as described in Appendix D of this Agreement.

7. STAKEHOLDER ENGAGEMENT PROCESS (SEP) MANAGEMENT

Contractor shall provide for, coordinate, participate in and document the SEP process throughout the Project lifecycle and:

- 7.1 Manage the overall SEP process for the Project. This management includes assigning SEP leaders where Airport staff is not available and provide administrative and documentation support, including the preparation and distribution of meeting minutes.
- 7.2 Oversee refinement of the project requirements narrative as appropriate and with concurrence from the Airport Project Manager, and oversee inclusion of requirements into Design-Builder construction documents.
- 7.3 Utilize the SEPs to prepare for all start-up and activation activities.

8. REVENUE ENHANCEMENT AND CUSTOMER HOSPITALITY (REACH)

The Airport is proud of the development of the Principles of Revenue Enhancement and Customer Hospitality program (REACH). Contractor shall provide support to Airport staff for the incorporation of REACH principles and goals into the procurement and bid documents for the project. Contractor shall:

- 8.1 Demonstrate a full understanding of the Principles of REACH and how it applies to the project.
- 8.2 Incorporate REACH principles throughout the Tasks.
- 8.3 Review the Project construction documents and construction site for consistency with the applicable REACH principles and goals set for the project.

9. SUSTAINABILITY

The Airport has achieved significant environmental sustainability goals and intends to incorporate sustainability procedures and practices in all spheres of Airport operations. Contractor shall provide support to Airport staff for the incorporation of sustainability requirements and goals into the procurement and bid documents for the project. Contractor shall:

- 9.1 Demonstrate a full understanding of all applicable Sustainability requirements and guidelines of the Airport, relevant local, state, and federal codes and regulations for renovation or construction of non-residential buildings. Contractor shall also have a full understanding of Sustainability ranking protocols for similar projects.
- 9.2 Incorporate the requirements of various sustainability components throughout the Tasks.
- 9.3 Review the Project construction documents and construction site for consistency with the applicable Airport sustainability guidelines, and green building codes and standards based on the sustainability goals set for the project.
- 9.4 Demonstrate a full understanding of the requirements to achieve a Net Zero Energy Building Certification.

10. PROJECT COORDINATION

Contractor shall provide the following, but not be limited to, coordination services:

- 10.1 In all phases, assist Airport staff with Project coordination and development efforts with the Hotel Operator, Air Train Operator, Airport staff and other stakeholders, as required and directed by the Airport.
- 10.2 Coordinate Project work with all ongoing Airport activities, and other adjacent or coordinated projects.
- 10.3 Assist with the establishment, implementation, and modification of Project administrative procedures.
- 10.4 Implement and support an Action Item system to track key Project activities.

- 10.5 Develop and monitor a Risk Register to identify, track and respond to Project risk.
- 10.6 Coordinate and document SEP programming and design review input.
- 10.7 Coordinate, lead, and document appropriate weekly Project meetings throughout each phase of the Project lifecycle.
- 10.8 Assist Airport staff with special systems, security special systems and equipment coordination.
- 10.9 Assist Airport staff with maintaining phasing, environmental issues, off-hours work, utility connection and associated activities.
- 10.10 Coordinate any hazardous material survey, reporting and abatements work to ensure Airport compliance with appropriate entities.
- 10.11 Assist Airport staff with the San Francisco Arts Commission Civic Design Review and Art Enrichment processes, as appropriate to the size and scope of this Project

11. PRE-PROGRAMMING PHASE

Contractor shall:

- 11.1 Develop preliminary Project schedules in coordination with all components of the Program and all other affected Airport activities and stakeholders.
- 11.2 Provide a Rough Order of Magnitude Cost Model for the Project and develop strategies to ensure meeting the Project budget.
- 11.3 Prepare a list of Project permits and requirements pertaining to environmental quality, including, but not limited to Air Quality, and Water Quality. Contractor shall ensure permits required to be obtained are listed in construction documents, and proper permits are obtained and facilitate adherence to all applicable requirements.

12. PROGRAMMING PHASE

Contractor shall provide, but not be limited to, the following programming phase services:

- 12.1 If necessary, assist the Airport in procuring the Design-Builders for the Airport Hotel Project and the New Air Train Station Project to develop the Project requirements as described below.
- 12.2 Provide oversight, coordination, and review of the Hotel and Air Train procurement documents, and coordinate with Airport staff in all aspects of project programming.
- 12.3 Ensure information is assembled in a comprehensive narrative report to be used for all Basis of Design. Information shall include, but not limited to:

12.3.1 Project Description:

- A. A comprehensive narrative of the scope of work and programming requirements for the Project. Requirements shall incorporate input from the Stakeholder Engagement Process (SEP), which will be led and coordinated by the Airport Project Manager.
 - B. Conceptual design drawings incorporating efficient Project site layout.
- 12.3.2 Provide oversight and coordination of the Design-Builders in generating Project design criteria and standards based on the inputs and guidelines established by the Hotel Operator and Air Train Operator. Criteria shall incorporate Airport and other regulatory standards as well as input and requirements from the Stakeholder Engagement Process. Design criteria shall include, but not limited to:
- A. Identification of preliminary civil, architectural, engineering, landscaping/ site layout/ utility, vertical transportation, security and special systems for the Project.
 - B. Compilation of civil, architectural, engineering, landscaping/site layout, vertical transportation, security and special systems specification outlines based on conceptual design. The outline specifications shall include minimum performance criteria and standards and preferred manufacturers.
 - C. Identification of preliminary building code classifications, accessibility, egress requirements, and life safety requirements.
 - D. Identification of sustainability requirements.
 - E. Preliminary schedules and cost models based on all proposed Basis of Design.
- 12.4 Reconcile the Project estimate with the Airport's budget. Advise the Airport if the Project and budget are not in compliance and recommend potential solutions.
- 12.5 Prepare reports, exhibits, and presentation materials to convey the Project as requested by the Airport Project Manager.
- 12.6 Identify, analyze and conform to the requirements of governmental and private authorities having jurisdiction to approve the design of the Project and participate in consultations with such authorities.
- 12.7 At the end of this Programming Phase, provide a cost loaded Staffing Plan for PMSS for each phase of the remainder of the Project and an anticipated direct labor cost for the remainder of the Project.
- 12.8 Provide oversight and review of proposed design fees and construction fees.

13. DESIGN PHASE

Contractor shall provide the following, but not limited to, design phase services:

- 13.1 Provide management, administration and oversight of Airport issued Design-Builders. Coordinate with Airport staff on Roadway Realignment Project.

- 13.2 Provide third-party, peer, and quality assurance reviews of design deliverables and construction documents produced by the Design-Builders for both the Hotel and Air Train Station Projects and verify that all design review comments are incorporated. Further, Contractor shall ensure that the Design-Builders implement the standards and Basis of Design developed in the SEP.
- 13.3 Coordinate and facilitate additional SEP meetings to resolve design issues that do not conform to the Basis of Design developed during the Programming Phase.
- 13.4 Provide design oversight, monitor design progress and deliverables, and recommend corrective action when required.
- 13.5 Coordinate proposed design elements and phasing in conjunction with all components of the Project and all other affected Airport activities and stakeholders.

14. CONSTRUCTION PHASE

Contractor shall provide the following, but not limited to, construction phase services:

- 14.1 Provide procurement support, management, administration and oversight of the Hotel and Air Train Projects.
- 14.2 Perform as the Construction Manager during the Hotel and Airport Project lifecycles. At a minimum, Contractor shall provide the following construction management services:
 - 14.2.1 Review construction documents for constructability, impact to Airport operations, and consistency with the project schedule.
 - 14.2.2 Review construction work plans and make recommendations.
 - 14.2.3 For the design/build projects, Contractor shall report on and participate in the trade subcontract procurement process with the Design-Builders.
 - 14.2.4 Review and/or prepare construction quality assurance/quality control plans.
 - 14.2.5 Provide technical, full-time, on-site observation and inspection of the progress and quality of the construction work. (Note: During the construction phase, the Contractor may need to integrate, within its technical support staff, Airport/City staff to provide on-site observation of the Work, depending upon availability of Airport/City personnel.)
 - 14.2.6 Monitor environmental inspection for Design-Build contractor's compliance with environmental regulations.
 - 14.2.7 Examine materials and equipment being incorporated into the work to verify that they are supported by approved submittals, handled, stored, and installed properly.
 - 14.2.8 Coordinate or procure the services of testing laboratories to assure that the proper number and type of tests are being performed in a timely manner.
 - 14.2.9 Provide special inspections and materials testing as required.
 - 14.2.10 Prepare inspection and engineer's reports for submission to the Airport.

- 14.2.11 Manage and review for contract and code compliance the submission of samples, shop drawings, Operation & Maintenance (O&M) manuals, and other submittals between contractors and the Airport. Contractor shall maintain a log of all submittals for all projects.
- 14.2.12 Identify problems encountered in accomplishing the Work and recommend appropriate action to the Airport in order to resolve problems with a minimum effect on the timely completion of the projects.
- 14.2.13 Provide all testing and special inspections required by the California Building Code. The Airport Project Manager will judge the acceptability of all testing and inspection means, methods, results and reports performed on behalf of Contractor. The Airport building official has the authority to require additional testing based on final code requirements and interpretation.
- 14.2.14 Maintain a log of any requests for information and prepare the Airport's non-technical responses, which must be approved by the Airport Project Manager.
- 14.2.15 Review progress payment requests for accuracy and recommend approval. Contractor shall prepare all supporting documentation for progress payment requests, including but not limited to, certified payroll tracking forms.
- 14.2.16 Review Design-Builder reports, as-built drawings, and other construction documentation and ensure information is captured in the Airport's record keeping system.
- 14.2.17 Attend job site meetings and prepare meeting minutes. Contractor shall review and communicate information presented to Airport Managers and all attendees.
- 14.2.18 Monitor compliance by all Airport contractors of all contract terms and conditions including, but not limited to, CMD requirements, certified payroll, labor standards, drug policy, security requirements, site cleanliness, and safety.
- 14.2.19 Administer the evaluation and negotiation of change orders and prepare and process change orders and contract modifications.
- 14.2.20 Manage activation activities and prepare written status reports.
- 14.2.21 Contractor shall conduct final inspections prior to project acceptance, notify the Airport in a timely manner of the results of the inspections, and administer acceptance procedures and tests for each phase of the projects.
- 14.2.22 Perform projects closeout activities.
- 14.2.23 Support dispute and/or claim resolution analysis and reconciliation efforts.

15. ACTIVATION PHASE

Contractor shall provide, but not be limited to, the following activation phase services:

- 15.1 Participate and provide oversight of the Design-Builders to develop an activation plan. The plan shall include input from the SEP.
- 15.2 Manage activation activities and prepare written status reports. Status reports shall verify that the facility and all of its systems and assemblies are constructed, installed, tested, operated and maintained to meet the each project's requirements.
- 15.3 Coordinate and conduct final inspections prior to acceptance of the Projects, and administer acceptance procedures and tests for each phase of the each Project.
- 15.4 Provide coordination with the Design-Builders regarding testing procedures and clearly document the procedures in a test plan as it pertains to technology infrastructure.

16. COMMISSIONING PHASE

- 16.1 Coordinate and conduct final inspections prior to acceptance of the Projects, and administer acceptance procedures and tests for each phase of each Project.
- 16.2 Review and report on progress of the Design-Builders regarding testing procedures and clearly document the procedures in a test plan as it pertains to technology infrastructure.
- 16.3 Review and report on progress of training or operation and maintenance of new systems as required by the Airport and/or individual Project specifications.
- 16.4 Provide support for move-in to the newly constructed facilities.
- 16.5 Provide oversight of all LEED commission activities.

17. CLOSEOUT PHASE

Contractor shall provide the following closeout phase services:

- 17.1 Support closeout activities for all contracts associated with the Hotel and Airtrain Projects. All procedures and documentation shall utilize Airport standards for the closeout process.
- 17.2 Support dispute and/or claim resolution analysis and reconciliation efforts.

18. REPORTS

Contractor shall submit written reports as requested by the Airport. Format for the content of such reports shall be determined by the Airport Project Manager. The timely submission of all reports is a necessary and material term and condition of this Agreement. The reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

19. AIRPORT PROJECT MANAGER

In performing the services provided for in this Agreement, Contractor's liaison with the Airport is **Sarah Garcia**.

END OF APPENDIX A



APPENDIX B CALCULATION OF CHARGES

This is Appendix B attached to, and incorporated by reference in the Agreement made on **January 20, 2015** between the City and County of San Francisco, acting by and through its Airport Commission (Commission), and **PGH Wong-MCK JV** (Contractor) providing for Project Management Support Services for the Airport Hotel Program at the San Francisco International Airport (the "Airport").

1. GENERAL

- 1.1 Compensation for complete and satisfactory performance of the services detailed in Appendix A of this Agreement is set forth in paragraph 5 "Compensation" of the Agreement.
- 1.2 No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both required under this Agreement are received from Contractor and approved by the Commission as being in accordance with this Agreement. In no event shall the Commission be liable for interest or late charges for any late payments.
- 1.3 Compensation for work performed under this Agreement will be on a time and materials basis and lump sum (if approved by the Airport Project Manager). Such compensation shall be allowable only to the extent that costs incurred, or otherwise established prices, are consistent with the Federal Cost Principles (Title 48, Code of Federal Regulations, Part 31).

2. METHOD OF PAYMENT

- 2.1 Unless approved otherwise by the Commission, Contractor's services shall be invoiced on a monthly basis and payment will be made within thirty (30) days of receipt of an acceptable invoice with satisfactory backup documentation, approved by the Airport Project Manager. As used herein, the term "invoice" shall include Contractor's bill or written request for payment under this Agreement for services performed. All invoices shall be made in writing.
- 2.2 Contractor shall invoice for the Work performed in conformance with procedures approved by the Commission.
 - 2.2.1 Such invoices shall segregate current costs from previously invoiced costs.
 - 2.2.2 Costs for individual labor shall be segregated by task and subtasks, if any.
 - 2.2.3 Notwithstanding the above, in no case shall Contractor invoice include costs which the Commission has disallowed or otherwise indicated that it will not recognize.

- 2.2.4 For professional services contracts, if applicable, each invoice shall clearly distinguish Contractor staff that is invoiced at the home office rate versus the field office rate. See paragraph 4.1 below for rate definitions.
- 2.3 Such invoices shall be as a minimum, (i) mechanically accurate, (ii) substantially vouchered and properly supported and (iii) in compliance with generally accepted accounting principles.
- 2.4 Contractor shall also certify, for each invoice, that (i) the hourly rates for direct labor, whether for Contractor or its subcontractor(s), to be reimbursed under this Agreement are not in excess of the actual hourly rates in effect for Contractor or subcontractor employees engaged in the performance of services under this Agreement at that time, and (ii) that such hourly rates are in conformance with the Agreement.
- 2.5 The fee for Contractor or any of its subcontractors shall be billed monthly on all direct labor and indirect costs for services provided in the current invoice at the percentage described in paragraph 5 below.
- 2.6 The Commission reserves the right to withhold payment(s) otherwise due Contractor in the event of Contractor's material non-compliance with any of the provisions of this Agreement, including, but not limited to, the requirements imposed upon Contractor in Article 15, Insurance, and Article 16, Indemnification. The Commission shall provide notice of withholding, and may continue the withholding until Contractor has provided evidence of compliance which is acceptable to the Commission.
- 2.7 All invoices shall be made in writing and delivered or mailed to the Airport as follows:

By US mail: Sarah Garcia
Airport Project Manager
Design and Construction
San Francisco International Airport
P.O. Box 8097
San Francisco, CA 94128

By Personal Delivery
or Express Mail: Sarah Garcia
Airport Project Manager
Design and Construction
San Francisco International Airport
710 N. McDonnell Road, 2nd Floor
San Francisco, CA 94128

3. DIRECT SALARY RATE AND DIRECT SALARY RATE ADJUSTMENT

- 3.1 Salaried personnel shall be paid on a maximum of forty (40) hours per week, with no overtime. Salaried personnel assigned to multiple projects shall be paid on a pro-rata share of a forty (40)-hour week. Signed time cards shall be provided showing all assigned Projects and the shared calculation.
- 3.2 The approved direct labor rates stated in the Agreement shall remain in effect for the first (1st) year of contract services. As, at the option of the Commission, this is a multi-year contract, the Commission may approve an annual adjustment to the direct hourly labor rates effective July 1st, based on an increase in the Consumer Price Index for the preceding twelve (12) months for the San Francisco Bay Area as published by the U.S. Department of Labor, Bureau of Labor

Statistics, under the title of: "Services Less Rent or Shelter – All Urban Consumers – San Francisco/Oakland/San Jose, California" or on an increase in the wages of comparable classifications as reflected in the collective bargaining agreements between the City and County of San Francisco and the labor organization representing those classifications, whichever is lower. Such adjustment is subject to prior written approval by the Commission and in no event will exceed the lower of the above specified indices unless the proposed adjustment is made pursuant to other specific terms of this contract or is necessary to meet the requirements of prevailing or minimum wage legislative mandates.

4. BILLING RATES

4.1 Billing rates and overhead rates shall be used for reimbursement of the cost portion of this Agreement. Billing rates shall be the sum of approved hourly direct base labor rates as set forth in paragraph 7 below plus indirect cost. Indirect cost rates are as follows:

FIRM	HOME OFFICE OVERHEAD RATE	FIELD OFFICE OVERHEAD RATE
PGH Wong Engineering, Inc.	151.56%	143.37%
MCK Associates, Inc.	100%	100%
AEW Engineering, Inc.	186%	159%
Apex Testing Laboratories, Inc.	163%	163%
Chaves & Associates	125.17%	125.17%
Cornerstone Transportation Consultants, Inc.	151.68%	151.68%
Meridian Surveying Engineering, Inc.	158%	135%
T.M. Davis & Associates, Inc.	SEE BELOW	SEE BELOW

4.2 Whenever possible, billing rates shall be established for home office work using a home office indirect cost rate and field office work using a field office indirect cost rate. The home office indirect cost rate shall be used when staff works in an office provided by Contractor. The field office indirect cost rate shall be used when staff is assigned full time to an office provided by the Commission.

4.3 To qualify for the field office indirect cost rate the Commission shall provide utilities, telephone service, internet access, and computers.

5. FEE

The Fee for Contractor's work effort shall be **ten percent (10%)** of direct labor of Contractor. The cumulative fee of all subcontractors at any tier shall not exceed ten percent (10%) of the total direct labor of all subcontractors at any tier. There shall be no additional fee markup on indirect costs of Contractor or any subcontractor at any tier.

Contractor will be allowed a **two percent (2%)** mark-up on first tier subcontractor invoices.

6. OTHER DIRECT COST (ODC)

6.1 Unless authorized by the Commission, the Commission will not reimburse Contractor for the costs of business travel, contractor meals, and accommodations, this includes specialists that are based out of town and not assigned to the jobsite office. Travel and per diem expenses for the project team's management, jobsite personnel, or staff that commute to or from other offices or residences is not allowed. The Commission will not reimburse Contractor for deliveries, and fax,

long distance, and cellular telephone charges. Regional (remote) executive's travel expenses to visit the local job office are not reimbursable and part-time jobsite personnel who are shared with other out-of-town clients are not reimbursed for travel expenses. When authorized, travel expenses shall be in accordance with the City & County of San Francisco Travel Guidelines.

6.2 Any ODC expenses in excess of \$500 shall be pre-approved by the Airport Project Manager.

7. **THE APPROVED DIRECT BASE LABOR RATES ARE AS FOLLOWS:**

CLASSIFICATION	RANGE OF RATES
PGH WONG ENGINEERING, INC.	
Hotel Construction Manager	\$75.00 - \$90.00
AirTrain Station D/B Construction Manager	\$80.00 - \$90.00
AirTrain Station Design Manager	\$80.00 - \$85.00
Bombardier Systems Interface Manager	\$89.00 - \$95.00
Project Controls Manager	\$55.00 - \$80.00
SEP Program Coordinator	\$52.00 - \$65.00
Sustainability Manager	\$45.00 - \$65.00
Office Engineers II	\$45.00 - \$65.00
Office Engineers	\$35.00 - \$55.00
MCK ASSOCIATES, INC.	
Hotel Construction Manager	\$75.00 - \$90.00
Roadway Realignment Coordinator	\$85.00 - \$95.00
Senior Scheduler	\$85.00 - \$90.00
Senior Cost Estimator	\$70.00 - \$85.00
Project Controls Manager	\$55.00 - \$80.00
Cost Estimator	\$50.00 - \$65.00
Document Control	\$20.00 - \$45.00
TECHNICAL SUPPORT POSITIONS	
Senior Scheduler	\$80.00 - \$90.00
Scheduler	\$40.00 - \$70.00
Senior Cost Estimator	\$70.00 - \$85.00
Cost Estimator	\$50.00 - \$65.00
Sustainability Manager	\$45.00 - \$65.00
Office Engineer III	\$45.00 - \$65.00
Office Engineer II	\$35.00 - \$55.00
Special Inspector	\$40.00 - \$75.00
Senior Inspector	\$55.00 - \$70.00
Inspector	\$40.00 - \$60.00
Document Control Manager	\$41.00 - \$49.50
Document Control	\$20.00 - \$45.00
FSH Trainee	\$20.00 - \$42.00
Partnering Coordination	\$30.00 - \$50.00
T.M. DAVIS & ASSOCIATES, INC. (FULLY BURDENED RATES)	
Project Manager	\$150.00 - \$200.00
Hotel Project Manager	\$150.00 - \$200.00
Hotel Design Manager	\$150.00 - \$200.00
Office Engineer I	\$80.00 - \$125.00

END OF APPENDIX B



APPENDIX C

STRATEGIC PLAN 2011-2016

SFO



Strategic Plan 2011–2016

SAN FRANCISCO INTERNATIONAL AIRPORT

A Message from the Director



I AM PLEASED TO PRESENT SAN FRANCISCO INTERNATIONAL AIRPORT'S NEW FIVE-YEAR STRATEGIC PLAN, ALONG WITH THE CORE VALUES AND PHILOSOPHIES THAT WILL GUIDE US IN THE YEARS AHEAD. OUR PRINCIPAL PURPOSE, WHICH WE REFER TO AS OUR MISSION, IS "TO PROVIDE AN EXCEPTIONAL AIRPORT IN SERVICE TO OUR COMMUNITIES." OUR OVERALL ASPIRATION FOR THE FUTURE, OUR VISION, IS "REACHING FOR #1."

The highest overall goals in our five-year plan are to be the top-rated airport among passengers, and to be one of the Bay Area's best places to work. Six other overall goals, each with supporting objectives and strategic initiatives, are presented in this document. Many of the strategic initiatives are based on recommendations made by 23 "Reaching for #1" Task Forces that were comprised of cross-organizational representatives, and who worked with the guidance of three steering committees for eight months' time. Of the 216 Task Force recommendations, 207 have been adopted and will become part of the SFO five-year plan and/or the various divisions' operating plans. All of the Task Force recommendations and decisions made about their

adoption and implementation are available on www.sfoconnect.com, our employee-based website.

I am proud of the excellent work by employees that went into the development of SFO's five-year objectives and strategic plan, and I am confident that together we will fulfill our new mission and vision and meet our objectives and thus become an even more exceptional airport in service to our communities.

A handwritten signature in black ink, appearing to read "John L. Martin". The signature is stylized and written in a cursive-like font.

JOHN L. MARTIN,
AIRPORT DIRECTOR

REACHING FOR Number



EDWIN M. LEE, Mayor, City and County of San Francisco

SAN FRANCISCO AIRPORT COMMISSION

LARRY MAZZOLA, President

LINDA S. CRAYTON, Vice President

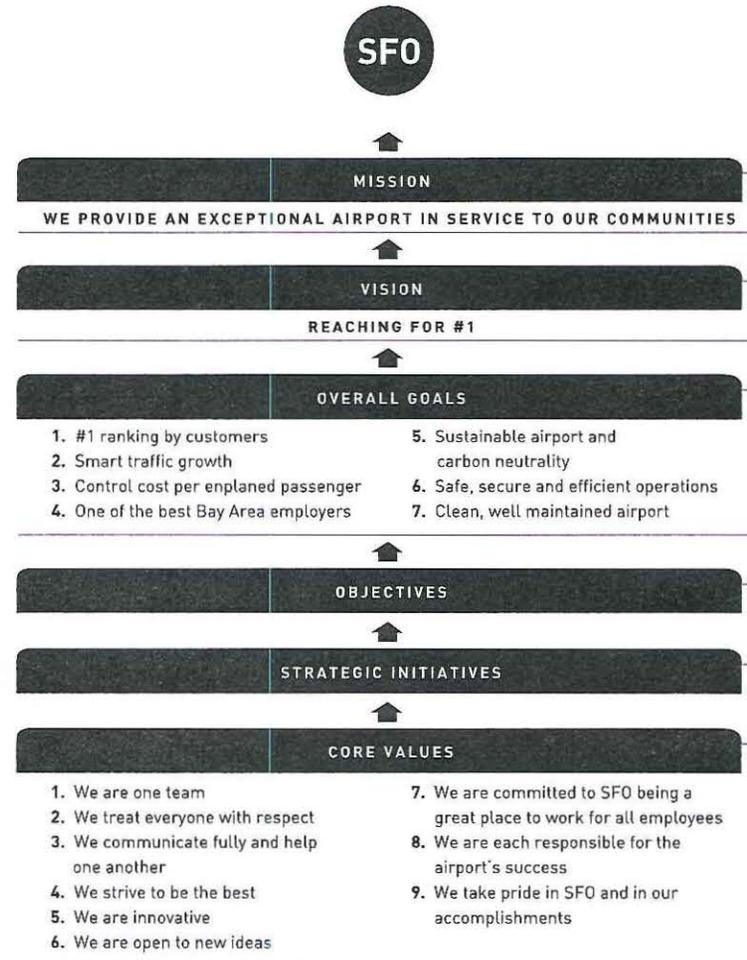
ELEANOR JOHNS

RICHARD J. GUGGENHIME

PETER A. STERN

JOHN L. MARTIN, Airport Director

Mission, vision, overall goals, core values



Objectives

THE AIRPORT HAS ESTABLISHED 30 KEY OBJECTIVES, LISTED BELOW IN ONE OF THE FOLLOWING OVERALL CATEGORIES

SAN FRANCISCO INTERNATIONAL			
CUSTOMERS/ PASSENGERS	AIRLINES / AIRCRAFT / ROUTES	NON-AIRLINE REVENUE	EMPLOYEES AND ORGANIZATION
<p>1. Be ranked #1 by passengers in the following categories:</p> <ul style="list-style-type: none"> U.S. International Gateway airport in customer satisfaction by ACI-ASQ survey. U.S. International Airport in customer satisfaction for overseas travelers by Skytrax survey. <p>2. Be considered a world-class airport by customers.</p> <p>3. Be nimble about meeting passenger demands and needs for services.</p> <p>4. Be the airport of choice for premium passengers.</p> <p>5. Have the most efficient airport ground transportation system in the country.</p>	<p>1. Ensure SFO can meet passenger traffic growth in the next five years and improve airlines' on time arrival performance to 75%.</p> <p>2. Ensure competitive air service.</p> <p>3. Increase current international passenger traffic by 30% in five years.</p> <p>4. Maintain average CPE below \$18.90 in constant FY07-08 dollars in order to maintain and attract airline service.</p>	<p>1. As part of maintaining average CPE below \$18.90, achieve non-airline revenues below:</p> <p>2011 / 2012 \$358 M 2012 / 2013 \$375 M 2013 / 2014 \$387 M 2014 / 2015 \$396 M 2015 / 2016 \$403 M</p> <p>2. Increase per passenger spending annually as follows:</p> <p>Food & Beverage: 2.5% Retail: 3.0% Duty Free: 3.5%</p>	<p>1. Be ranked one of the Bay Area's best employers in SF Business Times' annual list.</p> <p>2. Be known for innovation, expertise, and management excellence in the aviation industry.</p>

AIRPORT FIVE-YEAR OBJECTIVES			
ENVIRONMENTAL SUSTAINABILITY	SAFETY / SECURITY	INFRASTRUCTURE	EXTERNAL RELATIONS
<p>1. Be one of the first airports to achieve carbon neutrality by 2012 and maintain it thereafter.</p> <p>2. Achieve 50% reduction in baseline GHG emissions from SFO – controlled operations by 2015.</p> <p>3. Increase the solid waste recycling rate to 80% (GHG mitigation).</p> <p>4. We will achieve LEED gold in all new buildings.</p>	<p>1. To be an airport innovative leader in safety & security and implement at least two new industry-leading security programs in the next five years.</p> <p>2. Maintain SFO's airfield in as safe as possible condition through the use of technology, procedures, inspections and continual evaluation of airfield best practices.</p> <p>3. Be the least vulnerable U.S. airport to terrorist activity and possess the best integrated response capability.</p> <p>4. Coordinate the sharing of information and planning among all federal and local law enforcement agencies to ensure all the dots are continually connected.</p>	<p>1. As part of maintaining average CPE below \$18.90, invest in capital projects strategically.</p> <p>2. Minimize overall life cycle costs of facilities.</p> <p>3. Maintain the airport's infrastructure in optimal condition.</p> <p>4. Continue to invest in capital projects that make the airport environmentally sustainable.</p> <p>5. Implement projects that will generate net revenue to the extent possible, while meeting the airport's mission.</p>	<p>1. Support awareness among government entities of SFO as a successful enterprise, that is well managed and a valuable asset to San Francisco and the Bay Area communities.</p> <p>2. Develop and maintain productive relationships with government agencies and local cities and counties.</p> <p>3. Increase local business participation with SFO.</p> <p>4. Develop and maintain a model employment development program for the benefit of the communities that SFO serves.</p>

Customers and passengers

San Francisco International Airport has set a goal of being the #1-ranked airport among U.S. international gateway airports in customer satisfaction. For overseas travelers, our goal is to achieve this ranking by 2012 via the Skytrax International Survey. For North American travelers, our goal is achievement by 2016, via the ACI-ASQ survey.

We have identified the other U.S. international gateway airports as those serving the cities of Boston, New York, Newark, Washington D.C., Atlanta, Chicago, Miami, Houston, Dallas and Los Angeles.

OBJECTIVE I: BE RANKED #1 BY PASSENGERS IN THE FOLLOWING CATEGORIES:

- U.S. international gateway airport for customer satisfaction by ACI-ASQ survey
- U.S. international airport in customer satisfaction for overseas travelers by Skytrax survey

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE I	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Provide an attractive, modern, inviting, efficient and comfortable airport with world-class services and amenities and service-oriented staff.	Chief Operating Officer
2. Enhance way-finding and other signage by engaging an industry consultant to complete a program review by the end of 2011.	Operations
3. Work closely with U.S. Customs and Border Protection, TSA and Covenant Aviation to remedy security line delays and to ensure that line wait times are predictable and shorter than U.S. lines on average.	Operations
4. Work closely with TSA to provide more space and lighting at checkpoints and to improve overall ambiance.	Chief Operating Officer, Bureau of Design & Construction, Operations
5. Further work with TSA to ensure checkpoint staff is friendly and courteous.	Operations & Marketing & Communications

OBJECTIVE II: CUSTOMERS WILL CONSIDER SFO FACILITIES AND SERVICES WORLD CLASS

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. By 2012, develop a plan for Secure Connector from International Terminal Boarding Area A to T-1 and onto T-2.	Bureau of Design & Construction
2. By 2012, establish a schedule and program to build a new Boarding Area B.	Bureau of Design & Construction
3. Provide world class quality facilities (including restrooms).	Bureau of Design & Construction
4. Develop a program and Ground Transportation Plan by 2012 to reduce curbside congestion. Evaluate the following: <ul style="list-style-type: none"> • Commercial Ground Transportation Center • Roadway level assignments • Promotion of High Speed Rail long-term (2020 and beyond). 	Operations
5. Develop by 2011 and begin to implement by 2012 a program to expand information accessibility, the number of Ambassadors, and foreign language services.	Marketing & Communications
6. By 2012, implement a customer Technology Enhancement Program which would include the following: <ul style="list-style-type: none"> • Fast, free, quality WiFi • Add rapid charging stations and power outlets throughout Airport. • Invest in common-use cabling structure to support electronic boarding passes and self-tagging of luggage. • Offer applications for mobile devices. • Enhance interactive website. 	Business & Finance
	Business & Finance (rapid charging stations) Facilities (Power Outlets)
	Administration
	Marketing & Communications
	Marketing & Communications
7. Add more post-security children's play areas by 2012.	Business & Finance

OBJECTIVE III: BE NIMBLE ABOUT MEETING PASSENGER DEMANDS AND NEEDS FOR SERVICES

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE III	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. By 2011, develop a program to significantly expand concessions in T-3.	Business & Finance
2. By 2013, develop a program for new and expanded concessions in the International Terminal.	Business & Finance
3. By 2012, evaluate viability of following new services: <ul style="list-style-type: none"> • Sleeping pods/hotel in T-3 • Airport Gas Station/Convenience Store • Airport Pet Motel 	Business & Finance
4. Offer a common-use baggage re-check counter in the International Terminal.	Marketing & Communications
5. Enhance post-security museum displays.	Museums
6. Improve customer service and overall customer experience by instituting customer service level agreements for vendors and tenants.	Marketing & Communications and Business & Finance
7. Provide work areas and work stations for business travelers.	Facilities and Business & Finance
8. Develop a program by 2012 to provide information, hotlines, and targeted services for passengers who have significant delays.	Marketing & Communications

OBJECTIVE IV: SFO WILL BE THE AIRPORT OF CHOICE FOR PREMIUM PASSENGERS

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE IV	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Develop program by 2012 to ensure adequacy of space for airlines to open new clubs and to expand existing clubs.	Business & Finance
2. Offer first-class/premium checkpoint lines in all terminals.	Operations
3. Offer full range of services desired by business travelers (for example, quality restaurants, work stations, free WiFi, short and predictable security lines, on-time flights).	Business & Finance
4. Expand and reconfigure T-3 checkpoints by 2014.	Bureau of Design & Construction

OBJECTIVE V: HAVE THE MOST EFFICIENT AIRPORT GROUND TRANSPORTATION SYSTEM IN THE COUNTRY

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE V	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Increase airport transportation ridership* by 10 percent within 5 years *Airport transportation ridership will be defined as public transit (BART, Samtrans, Caltrain), shared ride, charters, hotel courtesy shuttle and scheduled airporter service. Currently airport transportation ridership is approximately 28 percent (12 percent transit and 16 percent other). The goal would be to obtain 31 percent ridership by 2015.	Operations, with Marketing & Communications
2. Create an environmentally sustainable system through the implementation of the airport's clean vehicle policy and other environmental initiatives.	Operations
3. Obtain 100 percent cost recovery by each mode within 5 years	Operations and Business & Finance
4. Develop a new ground transportation master plan	Operations

Airlines, aircrafts, routes

The Airport anticipates strong international growth in the next five years (estimated four percent to six percent) and modest domestic growth (slightly more than one percent). Elsewhere in the Bay Area, Oakland and San Jose airports should see domestic passenger growth as more East and South Bay residents use their closest airports for domestic travel. We will take a leadership role in supporting regional planning efforts to ensure the Bay Area's airports can meet passenger demands.

We will target new Asian and Middle East flights, especially China and India, which

are expected to experience the strongest global economic growth and which have strong ties to the Bay Area. Additionally, new flights serving Europe, South America and Australia/New Zealand will be important to our growth.

Recognizing that we have limited runway capacity, we will work to increase those flights that produce the greatest numbers of passengers – i.e. international, wide-body flights, and will implement NextGen FAA technology as it becomes available.

OBJECTIVE I: ENSURE SFO CAN MEET PASSENGER TRAFFIC GROWTH IN THE NEXT FIVE YEARS AND IMPROVE AIRLINES' ON TIME ARRIVAL PERFORMANCE TO 75 PERCENT

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE I	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Support regional airport planning efforts and an approved new Regional Airport System Plan by 2012.	Planning
2. Manage growth to meet runway capacity	Planning and Business & Finance

OBJECTIVE I: CONTINUED

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE I - CONTINUED	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
3. Seek to reduce delays <ul style="list-style-type: none"> a) Work with FAA to install NextGen technology (ADSB with multi-lateration) by 2014. 	Planning
<ul style="list-style-type: none"> b) Work with FAA to allow use of PRM/SOIA at ceiling levels down to 1,600 feet by 2011 (current limit is 2100 feet). 	Planning
<ul style="list-style-type: none"> c) Engage FAA and airlines in discussions on delays with goal of improving airline scheduling (2011, and every two years thereafter). 	Planning

OBJECTIVE II: ENSURE COMPETITIVE AIR SERVICE

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Maintain at least 22 percent non-legacy carriers' market share.	Marketing & Communications
2. Encourage and support airline service and fare competition.	Marketing & Communications
3. Encourage airlines to provide high level of responsiveness to passengers when delays and cancellations occur.	Marketing & Communications
4. Within five years, commence work on a new air cargo facility to replace outdated cargo buildings; and refurbish existing cargo buildings to extend their useful lives and improve operating efficiencies.	Business & Finance
5. Maintain common-use operation and flexible leasing policies to make it easy for airlines to grow or for new entrant airlines to start service.	Business & Finance
6. Be committed to an open and level playing field for both existing and new airlines.	Business & Finance
7. Support airline alliances and passenger connectivity by supporting airlines to relocate adjacent to their alliance partners.	Business & Finance
8. By 2012, develop a plan for secure connector from T-1 and T-2 to the International Terminal Boarding Area A.	Bureau of Design & Construction

OBJECTIVE III: INCREASE CURRENT INTERNATIONAL PASSENGER TRAFFIC BY 30 PERCENT IN FIVE YEARS

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE III	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Target new Asian and Middle East flight growth, achieving at least four (4) new daily Asian flights by 2015.	Marketing & Communications
2. Target China and India markets with at least two (2) new cities receiving service by 2013.	Marketing & Communications
3. Target new flights to/from Europe, South America, and Australia, with at least three (3) new daily flights by 2015.	Marketing & Communications
4. Promote SFO and SF to foreign visitors, in partnership with the SF Travel Association.	Marketing & Communications
5. Attract three (3) new daily flights to Mexico by 12/31/11.	Marketing & Communications

OBJECTIVE IV: MAINTAIN AVERAGE CPE BELOW \$18.90* IN ORDER TO MAINTAIN AND ATTRACT AIRLINE SERVICE

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE IV	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Manage capital costs to the airport and airlines	Business & Finance
a) Invest strategically in projects	Business & Finance
b) Maximize our grants	Business & Finance
c) Be strategic about use of Passenger Facility Charges (PFCs)	Business & Finance
d) Achieve the highest appropriate bond rating to minimize the airport's borrowing costs.	Business & Finance
2. Control operating expenses	Business & Finance
3. Increase non-airline revenue	Business & Finance
4. Increase the number of international passengers	Marketing & Communications

* in constant FY 07-08 dollars

Non-airline revenue

In order to remain competitive, maintain a suitable mix of airlines and to attract new air service, it is essential that we control our Costs Per Enplaned passenger (CPE) to airlines. It is a given in the airline industry that revenue yields and costs are key considerations by airlines in determining new and current markets.

When SFO's International Terminal opened in 2000, our CPE increased to an all-time high. We reduced costs and increased non-airline revenue to successfully reduce the

CPE by nearly 40 percent. Since 2000, the airport has attracted a net gain of 16 new airlines, many of which are directly attributable to a lowered CPE.

Our challenge today is to control the CPE even as we make necessary capital improvements to the airport. We have set the CPE at an amount not to exceed \$18.90 in constant FY 07-08 dollars. A key component to meeting this goal is to increase non-airline revenues.

OBJECTIVE I: AS PART OF MAINTAINING AVERAGE CPE BELOW \$18.90*, ACHIEVE NON-AIRLINE REVENUES BELOW:

	OBJECTIVE I				
	FY 11 / 12	FY 12 / 13	FY 13 / 14	FY 14 / 15	FY 15 / 16
TOTAL (\$MILL):	\$ 357.7	\$ 374.6	\$ 386.7	\$ 395.6	\$ 402.8
INCREASE:	\$ 11.2	\$ 16.9	\$ 12.1	8.8 %	7.2 %
PERCENT:	3.2 %	4.7 %	3.2 %	2.3 %	1.8 %

* in constant FY 07-08 dollars.

OBJECTIVE II: INCREASE PER PASSENGER SPENDING ANNUALLY AS FOLLOWS:

OBJECTIVE II					
FOOD & BEVERAGE:	2.5 %	RETAIL:	3.0 %	DUTY FREE:	3.5 %

FOR THE FIRST YEAR:

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVES I & II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Conduct a review of public parking rates to see what adjustments can be made to increase public parking revenue.	Business & Finance
2. Pursue non-traditional advertising mediums on a test basis; institute a new approval process for non-traditional revenue opportunities, and retain a consultant to advise on the installation of new dynamic concessions/promotional signage	Business & Finance
3. Develop an umbrella program for public information, including ways to improve way-finding and concession signage in an integrated manner.	Business & Finance Operations Marketing & Communications
4. Develop and lease 26,120 square feet of additional concession space; maximize certain storefronts, and commercially develop Boarding Area F Hub mezzanine space.	Business & Finance
5. Investigate the feasibility of creating a luxury pod hotel.	Business & Finance
6. Investigate realigning storefronts to improve visibility of concessions and flow of passengers to concessions, thus improving concession sales.	Business & Finance
7. Investigate facilitation of greater representation of small and local businesses in our concessions program.	Business & Finance
8. Develop an outreach plan to market vacant space to potential tenants such as airlines and other firms in the air travel industry.	Business & Finance

IN THREE YEARS:

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVES I & II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Ensure a luxury pod-hotel is in place, if deemed feasible.	Business & Finance
2. Complete periodic reassessments of the viability of an on-airport hotel.	Business & Finance
3. Implement new, non-traditional advertising initiatives and new, dynamic concessions/promotional signage.	Business & Finance
4. Implement a gas station/fast food/convenience store, which is currently in the initial environmental review stage.	Business & Finance
5. Ensure the vast majority of vacant space is rented.	Business & Finance
6. Implement new concession opportunities identified in Year One, such as a pet-hotel and yoga/meditation center.	Business & Finance

IN FIVE YEARS:

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVES I & II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Acquire land adjacent to SFO and pursue development for uses such as aviation support, cargo, and automobile parking.	Business & Finance

Employees and organization

SFO employees have demonstrated their pride in the Airport and in the services and amenities it provides to customers. For SFO to fulfill its mission and goals and to be prepared to respond effectively to any major challenges in the years ahead, it is our desire that all commission

employees be engaged, committed and energetic. In turn our management must be prepared to respond to the needs of employees and to increase workplace and training opportunities. Accordingly, two overarching objectives have been established:

OBJECTIVE I: TO BE RANKED ONE OF THE BAY AREA'S BEST EMPLOYERS IN S.F. BUSINESS TIMES' ANNUAL LIST

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE I	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Increase career development opportunities.	Administration
2. Ensure regular acknowledgement and rewards for outstanding employee contributions.	Administration Marketing & Communications
3. Increase coaching and mentoring opportunities.	Administration
4. Make specific workplace enhancements.	Administration Facilities
5. Ensure inclusiveness and sociability.	Marketing & Communications

OBJECTIVE II: TO BE KNOWN FOR INNOVATION, EXPERTISE, AND MANAGEMENT EXCELLENCE IN THE AVIATION INDUSTRY

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Increase formal and informal communications.	Marketing & Communications
2. Improve understanding of the entire Airport among all sections.	Marketing & Communications
3. Communicate shared Mission, Vision, Core Values, Five-Year Objectives and Strategic Plan.	Marketing & Communications
4. Encourage greater use of cross-organizational task forces, committees, forums, cohort groups.	Chief Operating Officer & Senior Staff
5. Provide greater opportunities for employees to contribute to the Airport beyond their designated roles.	Chief Operating Officer & Senior Staff
6. Ensure easier and more productive cross-organization interactions and collaboration.	Chief Operating Officer & Senior Staff
7. Provide leadership development opportunities.	Administration
8. Place emphasis on personal and organizational accountability.	Chief Operating Officer & Senior Staff

Environmental sustainability

We take our role seriously as a steward of the environment and we have been an airport industry leader in implementing new initiatives to reduce our carbon footprint. We desire to become one of the first airports in the world to achieve carbon neutrality without the use of carbon offset purchases.

We also intend to achieve a 50 percent reduction in green house gas (GHG) emissions from SFO-controlled operations by 2015 and to work with all stakeholders (tenants, vendors and permittees) to ensure environmental gains in all areas. We will seek to be a catalyst for change in stake-

holder practices by utilizing education, partnerships, financial incentives and new policy initiatives.

A sustainability committee will be charged with continuously exploring new options to ensure our leadership and continued progress. The committee will develop an established formula to gauge proposals' economic and environmental returns; will consider environmental minimum standards in Airport contracts and leases, and will work closely with the City's Department of the Environment, the Mayor's Office environmental staff and the PUC to identify energy saving opportunities.

OBJECTIVE I: BE ONE OF THE FIRST AIRPORTS TO ACHIEVE CARBON NEUTRALITY BY 2012 AND MAINTAIN IT THEREAFTER

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE I	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Provide pre-conditioned air (PC Air) to Boarding Areas B and E.	Bureau of Design & Construction
2. Provide PC Air at T2.	Bureau of Design & Construction
3. Implement energy efficiency projects including replacing an existing inefficient boiler and chiller in the Central Plant.	Bureau of Design & Construction
4. Provide for enhanced recycling through the new solid waste management contract.	Bureau of Design & Construction

OBJECTIVE II: ACHIEVE 50 PERCENT (50%) REDUCTION IN BASELINE GHG EMISSIONS FROM SFO-CONTROLLED OPERATIONS BY 2015

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Implement energy efficiency projects including replacing an existing inefficient boiler and chiller in the Central Plant Facilities.	Bureau of Design & Construction and Facilities
2. Complete the ongoing lighting efficiency projects.	Bureau of Design & Construction and Facilities
3. Implement other energy efficiency projects identified in the SFPUC audit.	Bureau of Design & Construction and Facilities
4. Implement natural gas efficiency projects.	Bureau of Design & Construction and Facilities
5. Replace aging fleet vehicles.	Facilities
6. Install additional solar panels.	Facilities
7. Require commercial ground transportation operators to comply with the airport's clean vehicle policy.	Operations

OBJECTIVE III: ACHIEVE INCREASE IN THE SOLID WASTE RECYCLING RATE TO 80 PERCENT (ADDITIONAL GHG MITIGATION OF 1,000 TONS PER YEAR), BDC/FACILITIES

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE III	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Develop the new solid waste management contract to be issued in January 2011 with a minimum offsite recycling rate of 40 percent and with an annual increase of two percent in the amount of recycling occurring at the service provider's facility.	Bureau of Design & Construction and Facilities
1. Increase the source separation rate for paper, bottles, cans, metals, etc. at SFO by an additional five percent in the next five years.	Bureau of Design & Construction and Facilities

OBJECTIVE IV: ACHIEVE LEED GOLD CERTIFICATION IN ALL NEW BUILDINGS

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE IV	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Revise the Airport design contract boilerplate to include the obligation for the architectural/engineering (A/E) firm to design all new buildings to achieve LEED Gold certification.	Bureau of Design & Construction and Facilities
2. Develop Airport design guidelines that provide direction to A/E firms on pursuing LEED certification points that take advantage of airport systems and policies.	Bureau of Design & Construction and Facilities
3. Aggressively pursue solar projects, which have a significant benefit in achieving LEED points.	Bureau of Design & Construction and Facilities
4. Explore the cost and feasibility for obtaining LEED O&M certification for the entire terminal complex and obtain the required certification if practical.	Bureau of Design & Construction and Facilities

OBJECTIVE I: TO BE AN INNOVATIVE LEADER IN AIRPORT SAFETY AND SECURITY, IMPLEMENTING AT LEAST TWO NEW INDUSTRY-LEADING SECURITY PROGRAMS IN THE NEXT FIVE YEARS

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE I	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Remain aware of global best practices; seize industry leading and cutting edge opportunities after careful evaluation of prospective benefits, risks, and costs.	Operations
2. Pursue cutting edge passenger security checkpoint designs by expanding the T2 state-of-the-art checkpoint layout into T3 and T1.	Operations
3. Completion of key technology upgrade projects for the CCTV and Access Control Systems with deployment throughout all terminals.	Operations

Safety and security

The safety and security of SFO is a basic tenet in the Airport's doctrine. Passengers, airlines, tenants and employees depend on the Airport and international security systems to provide a safe and secure environment for aviation travel.

We are committed to meeting and exceeding all aviation safety and security

regulations. We set internal standards that exceed regulatory compliance and encourages teamwork among all security-related agencies. Through the use of advanced technology, implementation of best practices and expert outside evaluations, we are continually improving our safety and security profile.

OBJECTIVE II: MAINTAIN SFO'S AIRFIELD IN AS SAFE AS POSSIBLE CONDITION THROUGH THE USE OF TECHNOLOGY, PROCEDURES, INSPECTIONS AND CONTINUAL EVALUATION OF AIRFIELD BEST PRACTICES

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Coordinate the FAA's installation and construction of a comprehensive Runway Status Light, Multilateration and Runway Safety Area systems for completion by 2015	Operations
2. Establish an improved wildlife management program; including the appointment of a dedicated wildlife control safety officer.	Operations
3. Adoption and use of a Safety Management System in planning for all airfield activities.	Operations

OBJECTIVE III: BE THE LEAST VULNERABLE U.S. AIRPORT TO TERRORIST ACTIVITY AND POSSESS THE BEST INTEGRATED RESPONSE CAPABILITY

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE III	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Complete recommendations from the 2010 Airport Threat and Vulnerability Assessment Report by 2013. Secure five-year capital plan funding to support the recommendations.	Operations
2. Work in partnership with the TSA to best understand and anticipate its procedures, plans, and likely policy and technology evolution.	Operations

OBJECTIVE IV: COORDINATE THE SHARING OF INFORMATION AND PLANNING AMONG ALL FEDERAL AND LOCAL LAW ENFORCEMENT AGENCIES TO INSURE ALL THE DOTS ARE CONTINUALLY CONNECTED

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE IV	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. SFPD, SFFD and Airfield Safety staffing levels, equipment and training will be current and appropriate for their mission.	Operations
2. Airport staff will coordinate the activity, intelligence sharing and preparedness among all departments that share in the security of SFO.	Operations
3. Continue the nine-year history of holding weekly security operational meetings.	Operations

Infrastructure

Given the capital-intensive nature and the age of some SFO facilities, along with continued traffic growth and an ongoing commitment to controlling costs to the airlines, we will invest in capital projects strategi-

cally over the next five years. At the same time, we will keep an eye toward infrastructure investments needed beyond that timeframe.

OBJECTIVE I: AS PART OF MAINTAINING AVERAGE AIRLINE COST PER ENPLANED PASSENGER BELOW \$18.90, SFO WILL INVEST STRATEGICALLY IN CAPITAL PROJECTS

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE I	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Prioritize projects based on implications for meeting federal/state/local mandates, on contribution to enhanced safety and security on preservation and on maintenance of existing assets, enhancement of customer service, and environmental sustainability.	Business & Finance
2. Maximize grants for eligible projects, but evaluate the full implications of proceeding with an otherwise low-priority project, including operating cost implications.	Business & Finance
3. Deliver facilities on a just-in-time basis to meet demand, thereby minimizing debt-carrying costs.	Bureau of Design & Construction and Planning
4. Implement the recommendations of the Process Mapping Study for the Airport's Capital Improvement Program (CIP).	Chief Operating Officer

OBJECTIVE II: MINIMIZE OVERALL LIFE-CYCLE COSTS OF FACILITIES

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Get the full value out of the Airport's assets—maximizing the use of underutilized or vacant space such as office space cargo facilities and (in the future) hangars.	Business & Finances
2. Assess total maintenance and operating costs for each asset over time, and identify the optimal timing for routine maintenance, major maintenance, renovation and asset replacement.	Facilities & Administration

OBJECTIVE III: MAINTAIN THE AIRPORT'S INFRASTRUCTURE IN OPTIMAL CONDITION

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE III	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Identify infrastructure projects needed to keep pace with traffic growth.	Chief Operating Officer & Planning
2. Implement a comprehensive asset management function supported by appropriate software systems to document the condition of existing assets, anticipate rehabilitation and replacement needs, and ensure SFO maintains its assets in the most cost-effective manner.	Chief Operating Officer
3. Deliver needed infrastructure projects on time and on budget.	Chief Operating Officer

OBJECTIVE IV: CONTINUE TO INVEST IN CAPITAL PROJECTS THAT MAKE THE AIRPORT ENVIRONMENTALLY SUSTAINABLE

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE VI	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Complete installation of pre-conditioned air (PC Air) at all airport gates.	Facilities and Bureau of Design & Construction
2. Implement energy efficiency projects, such as replacing a boiler and chiller at the Central Plant, lighting efficiency projects, and other projects identified in the SF PUC Audit.	Facilities
3. Replace aging fleet vehicles.	Facilities
4. Increase solid waste recycling.	Facilities

OBJECTIVE V: IMPLEMENT PROJECTS THAT WILL GENERATE NET REVENUE TO THE EXTENT POSSIBLE, WHILE MEETING THE AIRPORT'S MISSION

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE V	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Identify optimal terminal space reconfiguration and concession projects to enhance security checkpoints and increase airport net revenue.	Business & Finance
2. Implement a gas station/fast food/convenience store development project.	Business & Finance
3. Investigate the feasibility of potential revenue-producing projects that would enhance the customer experience, such as a luxury pod hotel, pet hotel, and yoga/meditation center.	Business & Finance
4. Evaluate the potential financial return and optimal timing for future projects that may be undertaken beyond a five-year time-frame, such as an additional garage adjacent to the existing long-term parking garage and an on-airport hotel.	Business & Finance
5. Identify and acquire land adjacent to SFO to pursue future development for uses such as aviation support, cargo, and automobile parking.	Business & Finance

External relations

A key component in the success of SFO is its strong and successful relationship with local communities and government agencies. As a major Bay Area economic engine, we serve local communities by providing jobs and business opportunities. In addition, our positive relationship with local communities builds credibility and support for our mission and goals of SFO.

A strategic outreach and communications plan is necessary to ensure stakeholder participation and input on our operations. Local communities should be partners and benefit from SFO's role as an economic driver in the region. We are committed to the creation of business opportunities, careers, jobs and internship programs that benefit area residents and businesses.

OBJECTIVE I: SUPPORT AWARENESS AMONG GOVERNMENT ENTITIES OF SFO AS A SUCCESSFUL ENTERPRISE AND A VALUABLE ASSET TO SAN FRANCISCO AND BAY AREA COMMUNITIES

OBJECTIVE II: DEVELOP AND MAINTAIN PRODUCTIVE RELATIONSHIPS WITH GOVERNMENT AGENCIES AND LOCAL CITIES AND COUNTIES WHICH WILL PROVIDE FOR AN OPEN EXCHANGE OF IDEAS AND COLLABORATION OPPORTUNITIES

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVES I & II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Assess the adequacy of communications and relationship management between SFO and the various governmental agencies and stakeholder communities.	Government Affairs
2. Ensure continuous positive interactions with counterparts in other city agencies.	Government Affairs

OBJECTIVE III: INCREASE LOCAL BUSINESS PARTICIPATION WITH SFO

OBJECTIVE IV: DEVELOP AND MAINTAIN A MODEL EMPLOYMENT DEVELOPMENT PROGRAM FOR THE BENEFIT OF THE COMMUNITIES THAT SFO SERVES

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVES III & IV	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Conduct greater outreach to better inform local communities about business opportunities at SFO.	Administration Business & Finance
2. Increase the amount of business SFO does with local firms.	Business & Finance
3. Encourage and facilitate SFO business partners' (e.g., airlines) hiring of local interns	Administration
4. Improve the quality and breadth of select internship programs.	Administration

Standard operating procedures (SOPs) at SFO (Our Code of Conduct; developed by employees)

1. WE INTERACT with one another consistent with our core values, in an environment of mutual trust and cooperation.
2. WE RESOLVE past disputes so they do not hinder current or future work relationships.
3. WE TRY to meet everyone's needs in resolving issues. If an employee is coming to you with a problem, it is not THEIR problem - it is OUR problem. If you are asked for help, your best efforts are expected.
4. WE ASSIST willingly. Assistance should not be given begrudgingly. It is part of our jobs to help one another in a spirit of good will.
5. WE LISTEN to what others have to say, and be sure to understand it. We make genuine attempts to make ourselves clearly understood.
6. WE MAXIMIZE face-to-face meetings or telephone calls and minimize the use of email to discuss problems and issues. Emails are best used to transmit factual information and not opinions, especially in potentially volatile situations.
7. WE SHARE information willingly with one another.
8. WE ALLOW those closest to the issues first attempt to resolve problems.
9. WE RAISE issues that are not resolved expeditiously to higher levels in a professional, non-personal manner.
10. WE HAVE shared responsibilities to uphold our core values. We are accountable for our behavior. We will not tolerate rude, uncooperative, disrespectful or dismissive behavior.

San Francisco International Airport Fact Sheet

PASSENGERS (CALENDAR YEAR 2009)			
Total Airport Passengers (10th in U.S., 21st in the world in 2009)	37,402,455	Bay Area Market Share	56.3%
Domestic Enplaned and Deplaned Passengers (75.8%)	28,102,527	Bay Area Market Share	50.1%
International Enplaned and Deplaned Passengers (24.2%)	8,964,202	Bay Area Market Share	93.2%
Traffic by Region (Share of International SFO International Passengers)		Asia	46.5%
		Europe	26.2%
		Canada	13.7%
		Mexico/Caribbean/ Central America	8.1%
		Australia/Oceania	5.3%
Average Number of Passengers per Day (2010)	102,192		
Most Passengers in a Year (2000)	41,040,995		

OPERATIONS (CALENDAR YEAR 2009)	
Total Operations	387,710
Total Air Carrier Operations (73%)	284,163
Total Commuter Operations (22%)	85,394
Total General Aviation Operations (4%)	15,478
Total Military Operations (<1%)	2,675
Average Number of Operations per Day	1059
Most Operations in a Year (1999)	438,685

CARGO (CALENDAR YEAR 2009)			
Total Loaded and Unloaded Cargo (Air Mail & Freight)	493,628 metric tons	Bay Area Market Share	42.9%
Total Domestic Cargo (Air Mail & Freight)	205,210 metric tons	Bay Area Market Share	27.2%
Total International Cargo (Air Mail & Freight)	288,418	Bay Area Market Share	91.1%

San Francisco International Airport Fact Sheet

AIRLINES AT SFO (CALENDAR YEAR 2009)

Total Number of Airlines Operating at SFO	54
Domestic Passenger Carriers	17
International Carriers	23
Commuter Air Carriers	5
Seasonal / Charter Air Carriers	2
Cargo Only Air Carriers	9

AIRLINE MARKET SHARE AT SFO

United Airlines	41.0%	Air Canada	1.5%
American	9.0%	Cathay Pacific	1.2%
Southwest	5.7%	JetBlue	1.2%
Virgin America	4.9%	Lufthansa	1.1%
US Airways	4.6%	British Airways	1.1%
Delta Airlines	4.2%	Frontier	1.0%
Northwest Airlines	3.7%	Singapore	1.0%
Continental Airlines	3.6%	All Other Air Carriers (each)	1.0%
Alaska Airlines	2.9%		

TOP FIVE DOMESTIC MARKETS (WEEKLY FLIGHTS)

Los Angeles - (BUR / LAX / ONT / SNA)	500
New York - (JFK / EWR)	220
Las Vegas - (LAS)	167
San Diego - (SAN)	148
Chicago - (ORD / MDW)	131

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**APPENDIX D
PARTNERING REQUIREMENTS**

1. GENERAL

1.1 PARTNERING LEVEL

This Project shall incorporate the required partnering elements for **Partnering Level 4**.

Level	Estimated Construction Amount	Complexity	Political Significance	Relationships
5	\$200 million +	Highly technical and complex design & construction	High visibility/oversight; significant strategic project	New project relationships; high potential for conflict (strained relationship, previous litigation, or high probability of claims)
4	\$50 - \$200 million	High complexity – schedule constraints, uncommon materials, etc.	Probable	New contractors or CM, new subs
3	\$20 - \$50 million	Increased complexity	Likely, depending on the location and other project characteristics	Established relationships; new CM, subs, or other key stakeholders
2	\$5 - \$20 million	Moderate complexity	Unlikely, unless in a place of importance	Established relationships; new subs, new stakeholders
1	\$100,000 - \$5 million	Standard complexity	Unlikely, unless in a place of importance	Established relationships; new subs, new stakeholders

1.2 SUMMARY

- 1.2.1 This Section specifies the requirements for establishing a collaborative partnering process. The partnering process will assist the City and Contractor to develop a collaborative environment so that communication, coordination, and cooperation are the norm, and to encourage resolution of conflicts at the lowest responsible management level.
- 1.2.2 The partnering process is not intended to have any legal significance or to be construed as denoting a legal relationship of agency, partnership, or joint venture between the City and Contractor.
- 1.2.3 This Section does not supersede or modify any other provisions of the Contract, nor does it reduce or change the respective rights and duties of the City and Contractor under the Contract, nor supersede contractual procedures for the resolution of disputes.

1.3 PURPOSE/GOALS

The goals of project partnering are to:

- 1.3.1 Use early and regular communication with involved parties;
- 1.3.2 Establish and maintain a relationship of shared trust, equity and commitment;
- 1.3.3 Identify, quantify, and support attainment of mutual goals;
- 1.3.4 Develop strategies for using risk management concepts and identify potential project efficiencies;
- 1.3.5 Implement timely communication and decision-making;
- 1.3.6 Resolve potential problems at the lowest possible level to avoid negative impacts;
- 1.3.7 Hold periodic partnering workshops throughout the life of the contract to maintain the benefits of a partnered relationship;
- 1.3.8 Establish periodic joint evaluations of the partnering process and attainment of mutual goals.

1.4 DEFINITIONS

- 1.4.1 **Stakeholders:** Any person or entity that has a stake in the outcome of a construction project. Examples include the end users, neighbors, vendors, special interest groups, those who must maintain the facility, those providing funding, and those who own one or more of the systems.
- 1.4.2 **Project Team:** Key members from the City and Contractor organizations responsible for the management, implementation, and execution of the Project, and will participate in the partnering process.

2. PARTNERING PROCESS

2.1 SELECTION OF A FACILITATOR

- 2.1.1 An Internal Facilitator or a Professional Neutral Facilitator shall be retained for projects with a Partnering Level of 1 through 3. A Professional Neutral Facilitator must be retained for projects with a Partnering Level of 4 or 5. The City and Contractor shall meet as soon as practicable after award of Contract to work cooperatively and in good faith to select a Facilitator.
- 2.1.2 An Internal Facilitator is a trained employee or representative of the City who provides partnering facilitation services.
- 2.1.3 A Professional Neutral Facilitator must have the following qualifications:
 - A. The Facilitator shall be trained in the recognized principles of partnering;

- B. The Facilitator shall have at least three (3) years' experience in partnering facilitation with a demonstrated track record, including public sector construction for a city or other municipal agency;
 - C. The Facilitator shall have a skill set that may include construction management, negotiations, labor-management mediation, and/or human relations; and
 - D. The Facilitator must be in the business of providing partnering services for construction projects.
- 2.1.4 Within thirty (30) days of NTP, Contractor and the selected Professional Neutral Facilitator shall execute an agreement that establishes a budget for fees and expenses of the Facilitator, workshop site costs, if any, and the describe the Facilitator's role for the Project consistent with the requirements of this Section. The scope of the Facilitator's role is for descriptive purposes only and is not a guarantee for payment as the scope of work will be revised as needed throughout the Project. The agreement shall be terminable at will.
- 2.1.5 The Facilitator shall be evaluated by the Project Team: (1) at the end of the Kick-off Partnering Workshop; and (2) at the Project close-out partnering session.
- 2.1.6 In the event that either Contractor or the City is not satisfied by the services provided by the Facilitator, a new mutually acceptable Facilitator shall be chosen in a reasonable amount of time in the same manner pursuant to Subparagraph A above, and a new agreement shall be executed by Contractor and the new Professional Neutral Facilitator pursuant to Subparagraph D above.

2.2 PARTNERING ELEMENTS

- 2.2.1 All Partnering Levels require the following elements:
- A. **Executive Sponsorship.** Commitment to and support of the partnering process from the senior most levels of the City and Contractor organizations.
 - B. **Collaborative Partnering.** A structured and scalable process made up of elements that develop and grow a culture (value system) of trust among the parties of a construction contract. Together, the combination of elements including the Partnering Charter, Executive Sponsorship, partnering workshops, an accountability tool for the Project Team (Scorecards), and the Facilitator create a collaborative atmosphere on each project.
 - C. **Facilitator.** Depending on the Project's Partnering Level, the City and Contractor shall retain either an Internal Facilitator or a Professional Neutral Facilitator according to the process listed in subparagraph 2.1 above to lead workshops.
 - D. **Partnering Charter and/or mission statement.** The City and Contractor shall create a Partnering Charter that is the guiding focus for the Project Team. It documents the team's vision and commitment to work openly and cooperatively together toward mutual success during the life of the Project. The Partnering Charter helps to

maintain accountability and clarity of agreements made and allows for broader communication of the team's distinct goals and partnering process. At a minimum, the Partnering Charter must include the following elements:

- 1) Mutual goals, including core project goals and may also include project-specific goals and mutually-supported individual goals. The required core project goals relate to project schedule, budget, quality, and safety.
- 2) Partnering maintenance and close-out plan, including partnering session attendees and frequency of workshops.
- 3) Dispute resolution plan that includes an Escalation Resolution Ladder.
- 4) Team commitment statement and signatures.

E. **Partnering Workshops.** At a minimum, the following two workshops are required:

- 1) **Kick-off Partnering Workshop.** Within 45 days of NTP, the City and Contractor shall meet for the Kick-off Partnering Workshop; determine the workshop site and duration, and other administrative details. At the Kick-off Partnering Workshop, the City, Contractor, and Facilitator shall meet to mutually develop a strategy for a successful partnering process and to develop their Partnering Charter.
- 2) **Close-out Partnering Workshop.** Prior to final closeout, the City and Contractor shall schedule the Close-out Partnering Workshop. At the Close-Out Partnering Workshop, the City, Contractor, and Facilitator, shall meet to discuss lessons learned throughout the Project, focus on ensuring continued collaboration and cooperation through the end of the Project, and to discuss requirements for the close-out process. At the conclusion of the workshop, a summary of the lessons learned should be prepared to be distributed to the Project Team. The City and Contractor shall also evaluate the Facilitator.

The Project Team may participate in additional workshops during the life of the Project as they agree is necessary and appropriate. Each workshop is a formalized meeting focused on developing a collaborative culture among the Project Team. The Project Team will use these workshops to set Project goals, define Project commitments, attend joint training sessions, and perform other tasks.

F. **Multi-tiered Partnering (Core Team – Executive – Stakeholder).** The Partnering Team will divide into smaller groups and convene multiple workshops including a Core Team Workshop, an Executive Workshop, and a Stakeholder Workshop.

- 1) **Core Team Workshop.** The Core Team is made up of Project Team members who are a part of the Project for its duration, including the following (not in order of hierarchy):

City:	Contractor:
Resident Engineer	Building Superintendent
Project Manager	Project Executive
Construction Manager	Jobsite Supervisor
Engineer, Architect	Project Engineer
Division Manager	Subcontractors
Construction Engineer	Key suppliers
Inspectors	Senior Management (e.g. Area Manager, Operations Manager, VP, President, Owner)
Client Department representative	
Critical third parties: stakeholders, other agencies, utilities, etc., or anyone who could potentially stop or delay the project.	

- 2) **Executive Workshop.** The senior leaders of the City and Contractor may form a Project Board of Directors. The Project Board of Directors is charged with steering the project to success.
 - 3) **Stakeholder Workshop.** As the Project progresses, various systems and processes will be the focus. The Stakeholder Workshop is a meeting of the key stakeholder groups, made up of Stakeholders that are involved in the current focus of the systems or processes.
 - 4) **Special Task Forces.** The Project Team may task a subset of its members to work on a particular issue or opportunity for the good of the overall project.
- G. **Escalation Resolution Ladder.** The City and Contractor shall mutually develop an Escalation Resolution Ladder, which is a stepped process that formalizes the negotiation between the Parties. The intent of this ladder is to provide a process that elevates issues up the chain of command between the Parties. The objective is to resolve issues at the lowest practical level and to not allow individual project issues to disrupt project momentum. When an issue is escalated one level, it is expected that a special meeting focusing on the negotiated settlement for that issue will be called with the goal of settling as quickly as possible.

Sample Escalation Resolution Ladder:

Level	Awarding City Department	Contractor	Time to Elevate
I	Inspector or Resident Engineer	Foreman/ Superintendent	1 day
II	Project Manager	Project Manager	1 week
III	Program Manager	Area Manager	1 week
IV	Division Manager	Operations Manager	2 weeks
V	Deputy Department Director	Owner; President	2 weeks

- H. **Project Scorecards.** The City and Contractor shall participate in periodic partnering evaluation surveys to measure progress on mutual goals and short-term key issues as they arise. Project Scorecards are an accountability tool that allows the City and the Contractor to measure how well they are doing at following through on commitments made to one another. Typically the Project Scorecards are confidential surveys

prepared and submitted to the Project Team by the Facilitator. The Facilitator typically then compiles the responses into a report which is then sent out to the Project Team for review.

2.2.2 Level 1 Projects require all of the following elements:

- A. Kickoff Workshop
- B. Partnering Workshops:
 - Executive Board Workshops – As Needed
 - Stakeholder Workshops – As Needed
 - Core Team Workshops – As Needed
- C. Close-Out Workshop
- D. No Project Scorecards are required. The City and Contractor may agree to participate in partnering evaluation surveys.

2.2.3 Level 2 Projects require all of the following elements:

- A. Kickoff Workshop
- B. Partnering Workshops:
 - Core Team Workshops – As Needed
 - Executive Board Workshops – As Needed
 - Stakeholder Workshops – As Needed
- C. Close-Out Workshop
- D. Two Project Scorecards are required. The City and Contractor may agree to participate in more regular partnering evaluation surveys.

2.2.4 Level 3 Projects require all of the following elements:

- A. Kickoff Workshop
- B. Partnering Workshops:
 - Core Team Workshops – Quarterly. Additional workshops may be led by the Professional Neutral Facilitator, and Internal Facilitator, or may be self-directed by the Project Team.
 - Executive Board Workshops – As Needed
 - Stakeholder Workshops – As Needed
- C. Close-Out Workshop
- D. Quarterly Project Scorecards are required. The City and Contractor may agree to

participate in more regular partnering evaluation surveys. Monthly Project Scorecards are recommended.

2.2.5 Level 4 Projects require all of the following elements:

- A. Kickoff Workshop
- B. Partnering Workshops:
 - Core Team Workshops – Quarterly. Additional workshops may be led by the Professional Neutral Facilitator, and Internal Facilitator, or may be self-directed by the Project Team.
 - Executive Board Workshops – Quarterly
 - Stakeholder Workshops – Quarterly
- C. Close-Out Workshop
- D. Quarterly Project Scorecards are required. The City and Contractor may agree to participate in more regular partnering evaluation surveys. Monthly Project Scorecards are recommended.

2.2.6 Level 5 Projects require all of the following elements:

- A. Kickoff Workshop
- B. Partnering Workshops:
 - Core Team Workshops – Monthly. Additional workshops may be led by the Professional Neutral Facilitator, and Internal Facilitator, or may be self-directed by the Project Team.
 - Executive Board Workshops – Quarterly
 - Stakeholder Workshops – Quarterly
- C. Close-Out Workshop
- D. Monthly Project Scorecards are required.

2.3 COSTS

- 2.3.1 The fees and expenses of the Internal Facilitator, if any, shall be paid by the City.
- 2.3.2 The fees and expenses of the Professional Neutral Facilitator, if any, and workshop site costs, if any, shall be shared equally by the City and the Contractor as set forth in the Third Party Agreement.
- 2.3.3 The Contractor shall pay the invoices of the Facilitator and/or workshop site costs after approval by both parties. Upon receipt of satisfactory evidence of payment of the invoices of the Facilitator by Contractor, the City will then reimburse the Contractor for such invoices from a fixed cash allowance included as an item in the Bid Prices. No

mark-up, overhead or other fees shall be added to the partnering costs. If the total cost of the partnering is greater than the allowance amount, the Contract Sum shall be adjusted by Change Order and Contract Modification.

- 2.3.4 With the exception of the Facilitators fees and workshop site costs described in subparagraph A above, all costs associated with the Partnering workshops and sessions, partnering evaluation surveys, or partnering skills trainings are deemed to be included in the Bid Price(s).

END OF APPENDIX D