

File No. 130391

Committee Item No. 2  
Board Item No. 20

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Sub-Committee Date: 05/22/2013

Board of Supervisors Meeting

Date: 6/4/2013

#### Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report        |
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| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
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Completed by: Victor Young Date May 17, 2013

Completed by: Victor Young Date 5/30/13

AMENDED IN COMMITTEE

5/22/13

FILE NO. 130391

RESOLUTION NO.

1 [Airport Professional Services Agreement Amendment - Curbside Management Program - Not  
2 to Exceed ~~\$15,067,000~~ \$14,636,814]

3 **Resolution approving Amendment No. 1 to Professional Services Agreement, Airport**  
4 **Contract No. 8994, to Manage and Staff the Curbside Management Program, between**  
5 **FSP PPM Management, LLC, and the City and County of San Francisco, acting by and**  
6 **through its Airport Commission, in an amount not to exceed ~~\$15,067,000~~ \$14,636,814**  
7 **pursuant to Charter, Section 9.118(b), for the period of July 1, 2013, through June 30,**  
8 **2014.**

9  
10 WHEREAS, On July 6, 2010, pursuant to Resolution 10-0228, the Airport Commission  
11 awarded the Professional Services Agreement (PSA) to FSP PPM Management, LLC for a  
12 30-month initial term with three (3) additional one-year renewal options to be exercised at the  
13 discretion of the Airport Commission, at an initial not to exceed amount of \$10,450,000; and

14 WHEREAS, On November 16, 2010, pursuant to Resolution No. 548-10, the Board of  
15 Supervisors approved the PSA to FSP PPM Management, LLC, to manage and staff the  
16 Curbside Management Program in an amount not to exceed \$10,450,000 on file with the  
17 Clerk of the Board of Supervisors in File No. 101294, which is hereby declared to be a part of  
18 this resolution as if set forth fully herein; and

19 WHEREAS, On January 15, 2013, pursuant to Resolution 13-0005, the Airport  
20 Commission approved Amendment No. 1 to the Curbside Management Program Contract  
21 with FSP PPM Management, LLC to exercise the first of three (3) one-year options to renew  
22 the PSA through June 30, 2014 for the amount of \$4,617,000 for a new not to exceed  
23 contract total of \$15,067,000; and

24 WHEREAS, The Airport anticipates the contract duration to be up to five and one-half  
25 (5 ½) years, in an amount not-to-exceed \$26,000,000; and

1           WHEREAS, San Francisco Charter Section 9.118(b) provides that the agreements  
2 entered into by a department, board or commission requiring anticipated expenditures by the  
3 City and County of ten million dollars, shall be subject to approval by the Board of Supervisors  
4 by resolution; and

5           WHEREAS, The Agreement is on file with the Clerk of the Board of Supervisors in File  
6 No. 130391, which is hereby declared to be a part of this resolution as if set forth fully herein,  
7 therefore, be it

8           RESOLVED, That the Board of Supervisors hereby approves Amendment No. 1 to the  
9 Professional Services Agreement for Airport Contract 8994 – to Manage and Staff the  
10 Curbside Management Program between FSP PPM Management, LLC and the City and  
11 County of San Francisco, acting by and through its Airport Commission, to exercise the first of  
12 three (3) additional one-year options for the amount of ~~\$4,617,000~~ \$4,557,975 for a new not to  
13 exceed total contract amount of ~~\$15,067,000~~ \$14,636,814, with an anticipated final contract  
14 value not to exceed \$26,000,000. copies of which are contained in Board of Supervisors'  
15 File No. 130391.

Item 2  
File 13-0391

Department:  
San Francisco International Airport (Airport)

## EXECUTIVE SUMMARY

### Legislative Objective

- The proposed resolution would authorize the first amendment to the existing Curbside Management Program agreement between the City, acting on behalf of the San Francisco International Airport (Airport), and FSP PPM Management, LLC (FSP PPM Management) by exercising the first optional one-year extension from July 1, 2013 through June 30, 2014.

### Key Points

- The Airport established the Curbside Management Program in 1999 to manage van, tax, limousine and other shared transportation at the Airport. Under the existing Curbside Management Program agreement, FSP PPM Management manages and monitors (a) the shared van operations and paperless shared ride van passenger and vehicle database system operations, (b) limousine operations, and (c) taxi operations, taxi smartcard-based revenue system operations and taxi cashier operations.
- The Airport entered into the original agreement with FSP PPM Management through a competitive solicitation for a 2 ½ year term from January 1, 2011 through June 30, 2013 and a not-to-exceed amount of \$10,450,000. The agreement includes three one-year options to extend.
- The Airport is proposing to exercise the first one-year option to extend the agreement from July 1, 2013 through June 30, 2014 and increase the not-to-exceed amount by \$4,617,000 from \$10,450,000 to \$15,067,000.

### Fiscal Impact

- The total estimated amount expended on the existing Curbside Management Program agreement from January 1, 2011 through June 30, 2013 will be \$10,078,839, or \$371,161 less than the not-to-exceed amount of \$10,450,000. Therefore, the proposed not-to-exceed amount of \$15,067,000 should be reduced by \$371,161.
- The proposed Curbside Management Program budget in FY 2013-14 of \$4,617,000 is \$59,025 more than needed, and therefore should be reduced by \$59,025 to \$4,557,975. This reduction includes \$59,025 in fringe benefit costs because the budget amounts for State unemployment insurance, Federal Insurance Contribution Act (FICA) contributions, Federal Unemployment Tax Act (FUTA) and medical plan premiums exceed required amounts.

### Recommendations

- Amend the proposed resolution to reduce the Curbside Management Program Agreement's not-to-exceed amount by \$430,186 from \$15,067,000 to \$14,636,814.
- Approve the proposed resolution as amended.

## MANDATE STATEMENT/ BACKGROUND

### Mandate Statement

In accordance with Charter Section 9.118(b), any contracts or agreements with a term of ten years or more and/or anticipated expenditures over \$10,000,000 are subject to Board of Supervisors approval.

### Background

In 1999, the San Francisco International Airport (Airport) established the Curbside Management Program to consolidate the management and monitoring of the Airport's ground transportation services and increase the utilization of ground transportation services<sup>1</sup> through improved customer service.

On November 16, 2010, based on a competitive process, the Board of Supervisors approved the existing Curbside Management Program agreement with FSP PPM Management in amount not to exceed \$10,450,000 for a two and one half-year term from January 1, 2011 through June 30, 2013 (Resolution No. 548-10), with three one-year options to extend the agreement, subject to Board of Supervisors approval.

### Services Provided Under Existing Curbside Management Program Agreement

Under the existing Curbside Management Program agreement, the scope of work includes:

- Shared Ride Van: FSP PPM Management manages and monitors shared van operations by (a) ensuring that shared vans wait in the designated van lots, (b) grouping passengers going to similar destinations at each of the nine van curb zones, (c) dispatching vans from the van lots to the van curb zones to ensure that van companies are rotating, (d) providing van operation information to air passengers, and (e) arranging appropriate ground transportation services for people with special needs (physically disabled, visually impaired or elderly).
- Limousine Operations: FSP PPM Management manages and monitors limousine operations by (a) monitoring and documenting the departure times of non-stretch and stretch limousines that enter the limousine loading zones<sup>2</sup>, (b) providing ground transportation information to air passengers, and (c) arranging appropriate ground transportation services for people with special needs (physically disabled, visually impaired or elderly).
- Taxi Operations, Taxi Smartcard Revenue System Operations and Taxi Cashier Operations: FSP PPM Management manages and monitors taxi operations by (a) ensuring that taxis wait in the designated Main Taxicab Holding Lot or the Taxicab Overflow lot, (b) dispatching taxis from the designated Main Taxicab Holding to the four taxi zones to meet passenger demand, (d) providing taxi operation information to air passengers, and (e) arranging

<sup>1</sup> Ground transportation services include shared van, limousine and taxicab operations for passengers at the Airport.

<sup>2</sup> Limousine loading zones include any of the white zones in Domestic Terminal 1 and Domestic Terminal 3 (for non-stretch limousines only), one limousine curb zone in the Domestic Terminal 2 (all limousines) and one limousine curb zone in the International Terminal (all limousines).

appropriate ground transportation services for people with special needs (physically disabled, visually impaired or elderly).

In addition, FSP PPM Management also operates the taxi smartcard revenue system. The Airport requires that taxi drivers pay a trip fee<sup>3</sup> to the Airport to pick up passengers at the Airport. The taxi smartcard revenue system automatically collects these fees from individual taxi drivers using smartcards such that taxi drivers are able to load money on their individual smartcards and then insert the smart cards into card readers located at various points at the Airport, which will deduct the required fees from the card prior to the taxi driver picking up passengers. Operating the taxi smartcard-based revenue system includes (a) inputting taxi driver information into the taxi smartcard-based revenue database, (b) issuing new or replacement smartcards to taxi drivers, (c) collecting unused or returned smartcards from taxi drivers, (d) filing and maintaining the collected taxi driver information, and (e) troubleshooting and maintaining the system.

### **Expenditures Under the Existing Curbside Management Program Agreement**

Under the existing Curbside Management Program agreement, FSP PPM Management submits invoices to the Airport for the actual costs of salaries, fringe benefits, and other direct costs for reimbursement. The Management Fees paid by the Airport to FSP PPM Management are a fixed amount that is equally divided and paid on a monthly basis.

Expenditures under the existing Curbside Management Program agreement are summarized in Table 1 below.

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<sup>3</sup> The trip fee consists of \$4.00 for a regular trip (a trip that is over 30 minutes). If the trip is less than 30 minutes, then when the taxi comes back to pick up passengers, the 2<sup>nd</sup> trip is free. If the 2<sup>nd</sup> trip is less than 30 minutes, then when the taxi comes back to pick up passengers, the 3<sup>rd</sup> trip is \$2.00. The less than 30-minute fees will rotate (i.e. 2<sup>nd</sup> trip is free, 3<sup>rd</sup> trip is \$2.00, 4<sup>th</sup> trip is free, 5<sup>th</sup> trip is \$2.00) until the taxi driver gets another regular trip in which they would have to pay another \$4.00.

**Table 1: Summary of Expenditures Under the Existing Curbside Management Program agreement from January 1, 2011 through April 30, 2013**

|                                    | FY 2010-2011<br>(6 Months from<br>January 1, 2011<br>through June 30,<br>2011) | FY 2011-2012     | FY 2012-2013<br>(10 Months from<br>July 1, 2012<br>through April 30,<br>2013) | Total            |
|------------------------------------|--|------------------|---|------------------|
| <b>Salaries</b>                    |  |                  |   |                  |
| Assistant General Manager          | 32,083   | 64,167           | 24,375  | 120,625          |
| Curbside Managers                  | 77,132   | 233,009          | 206,376   | 516,517          |
| Taxi Supervisors                   | 92,292   | 217,512          | 205,316   | 515,120          |
| Limousine/Van Supervisors          | 83,915   | 226,100          | 161,228   | 471,243          |
| Taxi Dispatchers                   | 469,161  | 1,074,030        | 945,266   | 2,488,457        |
| Limousine Monitors                 | 16,111   | 34,201           | 25,850  | 76,162           |
| Administrative Assistants          | 53,548   | 99,850           | 70,579  | 223,977          |
| Cashier Supervisors                | 0  | 0                | 0   | 0                |
| Cashiers                           | 0  | 0                | 0   | 0                |
| <b>Salaries subtotal</b>           | <b>824,242</b>   | <b>1,948,869</b> | <b>1,638,990</b>  | <b>4,412,101</b> |
| <b>Fringe Benefits</b>             | <b>263,816</b>   | <b>441,437</b>   | <b>382,804</b>  | <b>1,088,057</b> |
| <b>Other Direct Costs</b>          | <b>566,467</b>   | <b>847,618</b>   | <b>737,871</b>  | <b>2,151,956</b> |
| <b>Management Fees</b>             |  |                  |   |                  |
| General Manager Salary             | 47,500   | 79,167           | 81,833  | 208,500          |
| General Manager Fringe<br>Benefits | 14,275   | 28,861           | 23,955  | 67,091           |
| Insurance Premiums                 | 128,700  | 220,170          | 182,741   | 531,611          |
| Profit and Overhead <sup>4</sup>   | 151,911  | 396,956          | 327,716   | 876,583          |
| <b>Management Fees Subtotal</b>    | <b>342,386</b>   | <b>725,154</b>   | <b>616,245</b>  | <b>1,683,785</b> |
| <b>Total Expenditures</b>          | <b>1,996,911</b>   | <b>3,963,078</b> | <b>3,375,910</b>  | <b>9,335,899</b> |

The two months of May and June, 2013 remain under the existing Curbside Management Program agreement. According to Mr. Abu Azam, Assistant Deputy Director of Operations at the Airport, an estimated additional \$742,940 will be paid to FSP PPM Management for those remaining two months of the existing Curbside Management Program agreement. Therefore, the estimated total expenditures under the existing Curbside Management Program Agreement are \$10,078,839.

FSP PPM Management has spent \$219,205 on overtime from January 31, 2011 through April 30, 2013, of which \$115,681 or 52.8 percent is for taxi dispatchers. According to Mr. Azam, the overtime was due to attempts to hire full-time replacement staff being delayed by the Federal background check process. In order to maintain staffing requirements under the existing

<sup>4</sup> The Airport's contribution to profit and overhead cannot exceed seven percent of total expenditures under the existing Curbside Management Program agreement.

Curbside Management Program agreement, overtime was necessary. The Airport and FSP PPM have made efforts to expedite the hiring process to the extent possible.

### **Evaluation of Proposed Curbside Management Program**

The Airport evaluated FSP PPM Management's performance under the existing Curbside Management Program agreement on a quarterly basis beginning in January 2012 to ensure that specified benchmarks and goals were met. The Airport evaluated FSP PPM Management performance using the following 10 performance measures on a scale from one point to five points with five points being excellent and one point being poor:

1. Operate the Curbside Management Program with zero lost time due to injuries
2. Maintain an active Safety Committee by conducting quarterly meetings, report and document safety hazards and document the resolution of all hazards
3. Provide excellent customer service resulting in minimal complaints
4. Provide initial and service training to new employees
5. Provide ongoing training for all employees
6. Conduct and document weekly supervisory and management meetings
7. Provide initial communication training to both Curbside Management Program staff and management
8. Provide on-going annual refresher communication training to both Curbside Management Program staff and management
9. Provide training on preparing and/or reviewing incident reports and submit reports weekly to the Airport.
10. Monitor the Curbside Management Program budget to ensure that funds are properly expended

Under the existing Curbside Management Program agreement, FSP PPM Management needed to score a minimum average of three points or be required to submit a written improvement plan to the Airport within 15 days of receiving the evaluation results. According to Mr. Azam, the Airport made the decision to not complete performance reviews during the first year of the contract (January 1, 2011 through December 31, 2011) because of the Airport's understanding that FSP PPM Management had assumed an operation from the previous Airport contractor that was not running well with a workforce in place with extremely low morale. The Airport conducted performance reviews in 2012 and 2013 and FSP PPM Management received an average rating of 4.5 out of a possible 5 points.

### **DETAILS OF PROPOSED LEGISLATION**

The proposed resolution would authorize the first amendment to the existing Curbside Management Program agreement between the City, acting on behalf of the San Francisco International Airport (Airport), and FSP PPM Management, LLC (FSP PPM Management) by exercising the first optional one-year extension from July 1, 2013 through June 30, 2014 for an additional \$4,617,000, resulting in a total not to exceed amount of \$15,067,000.

The first one-year extension would allow for a profit and overhead fee of 6 percent of actual costs incurred by FSP PPM to be included in the Management Fees.



Under the first amendment, the Airport would also no longer be required to reimburse FSP PPM Management for any overtime used that was not previously approved by the Airport Director within one business day of the need for the overtime to be worked.

## FISCAL ANALYSIS

### Proposed Curbside Management Program Agreement Amendment Budget

The proposed Curbside Management Program Agreement's first amendment not-to-exceed budget totaling \$4,617,000 for FY 2013-14, payable to FSP PPM Management is summarized in Table 2 below. The Airport would fund the proposed amendment through its Airport Operations Budget.

**Table 2: Estimated Expenditures Under the Proposed One-Year Extension**

|   | FY 2013-14         |
|---|--------------------|
| Salaries  |                    |
| Assistant General Manager                                 | \$65,125           |
| Curbside Managers   | 204,393            |
| Taxi Supervisors  | 192,602            |
| Limousine/Van Supervisors                                 | 167,306            |
| Taxi Dispatchers  | 1,256,959          |
| Limousine Monitors  | 54,342             |
| Administrative Assistants                                 | 101,380            |
| Cashier Supervisors                                       | 13,325             |
| Cashiers  | 47,412             |
| <b>Salaries Subtotal</b>                                  | <b>\$2,102,843</b> |
| <b>Fringe Benefits Subtotal</b>                           | <b>\$924,415</b>   |
| Other Direct Costs  |                    |
| Compensated Leave   | \$480,088          |
| Miscellaneous <sup>5</sup>                                | 174,700            |
| Ground Transportation Management System                   | 100,000            |
| Contingency   | 99,885             |
| <b>Other Direct Costs Subtotal</b>                        | <b>\$854,673</b>   |
| Management Fees   |                    |
| General Manager Salary                                    | \$95,000           |
| General Manager Fringe Benefits                           | 22,581             |
| Insurance Premiums  | 220,170            |
| Profit and Overhead                                       | 397,318            |
| <b>Management Fees Subtotal</b>                           | <b>\$735,069</b>   |
| <b>Payable by the Airport to FSP PPM Management Total</b> | <b>\$4,617,000</b> |

As shown in Table 2 above, the Airport has included an estimated \$100,000 in expenditures for the ground transportation management system, which will be replacing the existing taxicab smartcard-based revenue system, and is scheduled to be activated during FY 2013-14. According to Mr. Azam, the Airport anticipates that the \$100,000 will fund start-up costs related to the activation of the new ground transportation management system, such as the purchase of

<sup>5</sup> Miscellaneous direct costs include expenditures such as (1) Airport identification badges, (2) cost of fingerprinting and background investigations, and (3) office equipment and supplies.

smartcards that the ground transportation operators will be using to interact with the new system. The operators will have to register, receive new smart cards, and be trained to use the new system. The \$100,000 would also fund the purchase of on-going supplies, such as color ink for the printer that will print each driver's picture on their new smartcard.

As shown in Table 2 above, an additional \$99,885 is also included as a contingency for any unanticipated operational changes necessitating additional expenditures, such as one of the systems going offline for an extended period of time. In addition the collective bargaining agreements which FSP PPM Management staff are subject to will expire on December 31, 2013 and the new collective bargaining agreements have not been negotiated yet. In addition, the medical insurance costs for FY 2013-14 or how many employees will elect to enroll is currently unknown. The contingency would be used if any of the above costs are more than what is currently budgeted.

**The Proposed Curbside Management Agreement Amendment Budget and Total Not-to-Exceed Amount Should Be Reduced by \$430,186**

Fringe Benefits Are Over-Budgeted by \$59,025

As shown in Table 2 above, the FY 2013-14 budget includes \$924,415 in fringe benefits, or approximately 44 percent of the \$2,102,843 in salaries. The FY 2013-14 fringe benefit budget of \$924,415 is \$465,050 or over 101 percent more than projected FY 2012-13 expenditures for fringe benefits of \$459,365.

Mr. Azam advises that the proposed Curbside Management Program agreement amendment assumes that premiums for medical benefits will increase between 10 and 21 percent, depending on the medical plan chosen by employees. However, the FY 2013-14 fringe benefit budget included in the proposed Curbside Management Program agreement exceeds the agreement's necessary expenditures for fringe benefits by an estimated \$59,025, as shown in Table 3 below, due to higher than necessary budgeted expenditures for medical benefits, even when including the estimated increase in premiums, Federal Income Contributions Act (FICA) and State Unemployment Insurance deductions.

**Table 3: Summary of Recommended Reductions to Fringe Benefits**

|   | <b>Amount Budgeted<br/>Under the<br/>Proposed<br/>Agreement<br/>Amendment</b> | <b>Amount Needed</b> | <b>Recommended<br/>Reductions</b> |
|---|---|----------------------|-----------------------------------|
| <b>Federal Insurance<br/>Contributions Act<br/>(FICA)</b> | \$206,634   | \$197,594            | 9,040                             |
| <b>Federal Unemployment<br/>Tax Act (FUTA)</b>            | 25,829  | \$15,498             | 10,331                            |
| <b>State Unemployment<br/>Insurance (SUI)</b>             | 180,805   | \$160,142            | 20,663                            |
| <b>Health Insurance</b>                                   | 361,903   | \$342,912            | 18,991                            |
| <b>Disability Insurance</b>                               |   |                      | 0                                 |
| <b>Life/Accident<br/>Insurance</b>                        | 7,440   | \$7,440              | 0                                 |
| <b>Pension</b>  | \$141,803   | \$141,803            | 0                                 |
| <b>Total</b>  | <b>\$924,415</b>  | <b>\$865,389</b>     | <b>\$59,025</b>                   |

Projected Expenditures under the Existing Agreement are \$371,161 Less than the \$10,450,000 Not-to-Exceed Amount

As shown in Table 4 below, according to Mr. Azam, the total estimated amount expended on the existing Curbside Management Program agreement from January 1, 2011 through June 30, 2013 will be \$10,078,839, or \$371,161 less than the not-to-exceed amount of \$10,450,000. Therefore, \$371,161 should be reduced from the proposed not-to-exceed amount of \$15,067,000.

**Table 4: Summary of \$371,161 Remaining on \$10,450,000 Not-to-Exceed Amount**

| <b>Year</b>   | <b>Actual<br/>Expenditures</b> |
|---|--------------------------------|
| FY 2012-13 (Annualized)                             | \$4,118,850                    |
| FY 2011-12  | 3,963,078                      |
| January 1, 2010 through June 30, 2011<br>(6 months) | 1,996,911                      |
| <b>Total Expended</b>                               | <b>\$10,078,839</b>            |
| Not-to-Exceed Amount                                | \$10,450,000                   |
| <b>Amount Not Needed</b>                            | <b>\$371,161</b>               |

Not-to-Exceed Amount of Curbside Management Program Agreement Amendment to Exercise the First One-Year Option Should be Reduced by \$430,186 to \$14,636,814

In summary, as shown in Table 5 below, based on the above recommended reductions, the proposed \$15,067,000 not-to-exceed amount of the proposed Curbside Management Program agreement amendment should be reduced by \$430,186 to \$14,636,814.

**Table 5: Summary of the Budget and Legislative Analyst’s Recommended Reductions to the Airport’s Requested \$15,067,000 Not-to-Exceed Amount**

|   |                  |
|---|------------------|
| Reductions from Fringe Benefits                                       | \$59,025         |
| Amount Remaining on Not-to-Exceed Amount Under the Existing Agreement | 371,161          |
| <b>Total</b>  | <b>\$430,186</b> |

**RECOMMENDATIONS**

1. Amend the proposed resolution to reduce the Curbside Management Program Agreement’s not-to-exceed amount by \$430,186, from \$15,067,000 to \$14,636,814.
2. Approve the proposed resolution as amended.



San Francisco International Airport

April 22, 2013

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

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*[Handwritten signature]*

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

Dear Ms. Calvillo:

Pursuant to Section 9.118 of the City Charter, I am forwarding for Board of Supervisors' approval Amendment No. 1 to the Airport's Curbside Management Program contract (Airport Contract 8994) between FSP PPM Management, LLC and the City and County of San Francisco, acting by and through its Airport Commission. This amendment was approved by Airport Commission Resolution No. 13-0005, adopted on January 15, 2013.

The amendment adds \$4,617,000 to the contract for a new not to exceed amount of \$15,067,000 and an extension of one (1) year to the original contract, which was approved by the Board on November 16, 2010 (Resolution No. 548-10).

The following is a list of accompanying documents (two sets):

- Proposed Board of Supervisors Resolution
- Airport Commission Resolution No. 13-0005
- Contract
- Form 126 for Mayor and Board of Supervisors

The following person may be contacted regarding this matter:

Cathy Widener, Governmental Affairs Manager - (650) 821-5023

Sincerely,

*Jean Caramatti*  
 Jean Caramatti  
 Airport Commission Secretary

Attachments

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE  
MAYOR

LARRY MAZZOLA  
PRESIDENT

LINDA S. CRAYTON  
VICE PRESIDENT

ELEANOR JOHNS

RICHARD J. GUGGENHIME

PETER A. STERN

JOHN L. MARTIN  
AIRPORT DIRECTOR



San Francisco International Airport

**MEMORANDUM**

January 15, 2013

**TO: AIRPORT COMMISSION**  
Hon. Larry Mazzola, President  
Hon. Linda S. Crayton, Vice President  
Hon. Eleanor Johns  
Hon. Richard J. Guggenlime  
Hon. Peter A. Stern

**FROM: Airport Director**

**SUBJECT: Modification No. 1 to Contract No. 8994 with FSP PPM Management, LLC**

**DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 1 TO CONTRACT NO. 8994 WITH FSP PPM MANAGEMENT, LLC TO STAFF AND MANAGE THE AIRPORT'S CURBSIDE MANAGEMENT PROGRAM COMMENCING JULY 1, 2013 THROUGH JUNE 30, 2014, IN AN AMOUNT NOT TO EXCEED \$4,617,000 FOR THE OPTION PERIOD, FOR A NEW TOTAL CONTRACT AMOUNT NOT TO EXCEED \$15,067,000.**

**Executive Summary**

Contract No. 8994 with FSP PPM Management, LLC to staff and manage the Curbside Management Program is set to expire on June 30, 2013. FSP PPM Management, LLC has provided all services satisfactorily, therefore Staff requests Commission approval to exercise the first of three one-year options, for an option term of July 1, 2013 through June 30, 2014.

**Background**

On July 6, 2010, this Commission adopted Resolution No. 10-0288 awarding FSP PPM Management, LLC a contract to staff and manage the Airport's Curbside Management Program for a 30-month term commencing January 1, 2011, at a cost not to exceed \$10,450,000, with three additional one-year renewal options to be exercised at the sole discretion of this Commission.

The FY 12-13 budget was included in the initial term of the contract. The FY 13-14 budget was escalated year over year by approximately 6.5 percent to accommodate increases in pay rates included in new Collective Bargaining Agreements and medical insurance rates. Option years two and three will be similarly negotiated at the appropriate time and presented for Commission approval.

THIS PRINT COVERS CALENDAR ITEM NO. 4

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE  
MAYOR

LARRY MAZZOLA  
PRESIDENT

LINDA S. CRAYTON  
VICE PRESIDENT

ELEANOR JOHNS

RICHARD J. GUGGENHIME

PETER A. STERN

JOHN L. MARTIN  
AIRPORT DIRECTOR

On November 16, 2010, by Resolution No. 548-10, the San Francisco Board of Supervisors approved the initial 30-month term of the contract and the not to exceed budget approved by this Commission. The Mayor signed the Board of Supervisors' Resolution on November 18, 2010.

The Curbside Management Program includes daily management of the taxi and shared ride van operations at SFO, as well as monitoring the curbside limousine zones at all Airport terminals. Services provided also include oversight of the Airport's automated taxi revenue system. FSP PPM Management, LLC has satisfactorily managed and staffed all aspects of the Curbside Management Program during the initial term of the contract.

**Recommendation**

I recommend that this Commission exercise the first of three one-year options to extend the term of Contract No. 8994 with FSP PPM, Management, LLC commencing July 1, 2013, in an amount not to exceed \$4,617,000 for the option period, for a new total contract amount not to exceed \$15,067,000, subject to Board of Supervisors' approval pursuant to San Francisco Charter Section 9.118(b).

  
John L. Martin  
Airport Director

Prepared by: Jeff Littlefield  
Deputy Airport Director  
Operations and Security

Attachment

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 13 0005

**MODIFICATION NO. 1 TO CONTRACT NO. 8994 WITH FSP PPM MANAGEMENT, LLC TO STAFF AND MANAGE THE AIRPORT'S CURBSIDE MANAGEMENT PROGRAM COMMENCING JULY 1, 2013 THROUGH JUNE 30, 2014, IN AN AMOUNT NOT TO EXCEED \$4,617,000 FOR THE OPTION PERIOD, FOR A NEW TOTAL CONTRACT AMOUNT NOT TO EXCEED \$15,067,000**

WHEREAS, this Commission approved Resolution No. 10-0288 on July 6, 2010, to award the Curbside Management Program contract to FSP PPM Management, LLC for a 30-month term commencing January 1, 2011, at a cost not to exceed \$10,450,000 for the initial term with three additional one-year renewal options to be exercised at the sole discretion of this Commission; and

WHEREAS, the Board of Supervisors approved Resolution No. 548-10 on November 16, 2010, authorizing the initial 30-month term of the contract for a not to exceed budget of \$10,450,000; and

WHEREAS, the Mayor signed Board of Supervisors' Resolution No. 548-10 on November 18, 2010; and

WHEREAS, FSP PPM Management, LLC has satisfactorily staffed and managed the Airport's Curbside Management Program under the current Agreement effective January 1, 2011 through June 30, 2013; now, therefore, be it

RESOLVED, that this Commission hereby approves Modification No. 1 to Contract No. 8994 with FSP PPM Management, LLC to staff and manage the Curbside Management Program, exercising the first of three one-year options to renew effective July 1, 2013 through June 30, 2014, in an amount not to exceed \$4,617,000 for the option period, for a new total contract amount not to exceed \$15,067,000; and be it further

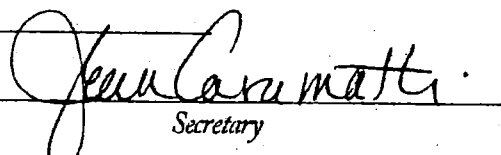
RESOLVED, that the Airport Director is authorized to take the necessary steps to obtain Board of Supervisors' approval of the contract modification pursuant to San Francisco Charter Section 9.118(b).

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

*at its meeting of*

**JAN 15 2013**

1360

  
Secretary



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

**First Amendment**

THIS AMENDMENT (this "Amendment") is made as of **April 1, 2013**, in San Francisco, California, by and between **FSP PPM Management, LLC** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission or the Commission's designated agent, hereinafter referred to as "**Commission.**"

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, the Commission adopted Resolution Number **10-0228** on **July 6, 2010** which authorized the award of said Agreement for the period of **January 1, 2011** through **June 30, 2013**, with three (3) one-year options to renew at the sole and absolute discretion of the Commission; and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the term of the agreement, increase the contract amount, modify specific terms of the agreement and update standard contractual clauses; and

WHEREAS, Commission approved this Amendment **Number 1** pursuant to Resolution Number **13-0005** on **January 15, 2013**; and

WHEREAS, pursuant to San Francisco Charter Section 9.118, the Board of Supervisors by its Resolution No. **548-10**, adopted **November 16, 2010**, approved the contract to Consultant; and

WHEREAS, pursuant to San Francisco Charter Section 9.118, the Board of Supervisors by its Resolution No. \_\_\_\_\_, adopted \_\_\_\_\_, approved the first of three one-year renewal options to Consultant; and

WHEREAS, approval for this Amendment was obtained when the Civil Service Commission approved Contract number **4100-09/10** on **March 15, 2010**; and

WHEREAS, the Commission desires to modify the Agreement for administrative changes required by recently enacted San Francisco contracting ordinances; and

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

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

**a. Agreement.** The term "Agreement" shall mean the Agreement dated **October 1, 2010** between Contractor and City.

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

2. **Section 3. Term of the Agreement** is hereby amended by Commission's exercise of its first of three year renewal options by extending the term of the contract for **one year** for a new ending date of **June 30, 2014**.

3. **Section 6.1(c). Compensation – Invoicing and Payments** of the Agreement is hereby replaced in its entirety to read as follows:

Payments shall be made by City to Contractor at the following address:

ABM Parking Services  
1150 S. Olive St., 19<sup>th</sup> Floor  
Los Angeles, CA 90015  
ATTN: Yang Yip

4. **Section 6.4(b). Compensation - Labor Cost Limitations of the Agreement** is hereby replaced in its entirety to read as follows:

(b) The individual direct labor cost rates per job classification are subject to salary administration by Contractor, but in no case are they to be adjusted more than five percent (5%) over the life of this Agreement, including all options to renew, without the prior written approval of the Director or his/her designee.

5. **Section 6.5(d). Compensation Reimbursement of Other Direct Costs** is hereby replaced in its entirety to read as follows:

(d) City shall reimburse Contractor a maximum of \$2,000 per twelve month period for employee recognition awards. Funds spent in excess of the stated maximum shall only be reimbursable with the prior written approval of the Director or his/her designee.

6. **Section 6.5(f). Compensation - Reimbursement of Other Direct Costs** is hereby replaced in its entirety to read as follows:

The following items are not eligible for reimbursement under this Agreement: Food and beverages which are not provided as part of an Airport-approved training program, non-office related computer software (including screen savers), and gifts of a personal nature. Director may add to this list as necessary with prior written notice to Contractor.

Per City Executive Directive 07-05, Water purchased in single serving bottles is generally not a reimbursable item. Water in single serving bottles is not reimbursable as a training expense. Contractor is to encourage its employees to refill their own clear plastic bottles with water from the water dispensers located in the Curbside Management Program offices to take with them to their work locations. On days when the air temperature exceeds 85 degrees, Contractor may supply water in single serving clear plastic bottles to employees who cannot leave their work posts to obtain water refills. This water is reimbursable as it is related to maintaining the health and welfare of the Contractor's employees who are working outside in locations without ready access to potable drinking water. To be reimbursed, the distribution of the bottled water must be approved by the Airport Director or designee in writing and this approval must be included in the invoice with the reimbursement request.

7. **Section 6.5(g). Compensation - Reimbursement of Other Direct Costs** is hereby replaced in its entirety to read as follows:

- i. Reimbursement for expenses incurred in recruiting new non-management employees shall be approved in advance by Director. Such costs are to be reasonable and supported with actual invoices from the provider(s).
- ii. Reimbursement for employee background investigations through the Airport's Security Access Office shall be limited in the first year of the contract to a total not to exceed \$10,000 upon the submittal of receipts. In each subsequent year, reimbursements shall be limited to an amount not to exceed \$1,500 upon the submittal of receipts.
- iii. Reimbursement for Airport employee identification cards shall be limited in the first year of the contract to an amount not to exceed \$10,000 upon the submittal of receipts. In each subsequent year, reimbursements shall not exceed \$1,500 upon the submittal of receipts. However, costs for lost or stolen Airport employee identification cards are not a reimbursable expense.
- iv. Reimbursement for Airport-approved employee name badges shall be limited in the first year of the contract to a total not to exceed \$1,500 upon the submittal of receipts. In each subsequent year, the reimbursement amount shall not exceed \$500 upon the submittal of receipts. However, costs for lost or stolen name badges shall not be a reimbursable expense.
- v. Uniform purchase, rental and cleaning shall be a reimbursable expense for only line and immediate supervisory personnel. Such costs are to be reasonable and supported with actual invoices from the provider(s).
- vi. *Payroll services shall not be a reimbursable expense. However, personnel timekeeping equipment provided by SFO or purchased through this agreement for use by Contractor in staffing the Curbside Management Program, including maintenance of such equipment, shall be reimbursable only if such costs are reasonable and necessary and supported with actual invoices from the provider. Timekeeping equipment provided by Contractor is the sole responsibility of the Contractor and related costs shall not be reimbursable.*
- vii. *City will not reimburse Contractor staff overtime that is not requested with justification in writing by Contractor and approved in writing by Airport Director or his/her designee within one business day of the need for overtime to be worked.*
- viii. Hourly wages and benefits for employees repeating a training course shall not be a reimbursable expense.
- ix. Reimbursement for administrative office telephones will be limited to an annual lease amount of \$5,400 (rental cost of six standard Airport ITT Avaya 8410D phones with local service) or the actual cost of administrative office telephones, whichever is less. Toll, long distance and directory assistance calls are not reimbursable.
- x. Reimbursement for voice mail will be limited to an annual cap of \$1,500 (cost of six standard ITT voice mailboxes) or the actual cost of voice mail, whichever is less.
- xi. City will provide the facsimile machine and the necessary consumables.
- xii. Reimbursement for an analog facsimile phone line will be limited to an annual cap of \$400 (cost of a standard Airport ITT analog data/fax line). Toll and long distance charges shall not be reimbursable expenses.
- xiii. *The purchase of cellular phone or wireless messaging devices requires prior written approval by the Airport Director or his/her designee. If approved, reimbursement for monthly service charges (excluding applicable telecommunications taxes and fees) shall not exceed an average of \$100 per device. Toll, long distance and directory assistance calls are not reimbursable.*
- xiv. Reimbursement for broadband Internet access will be limited to an annual cap of \$1,800 (cost of one Airport ITT broadband Internet data line). Electronic mailbox charges shall not be a reimbursable expense.
- xv. Postage charges for routine certified, first-class and priority mail letters emanating from other offices outside the Airport shall not be a reimbursable expense.

- xvi. Express, next-day, or two-day shipments (e.g., DHL, Federal Express, UPS, etc.) shall not be a reimbursable expense unless it is part of an authorized purchase of equipment or other materials and supplies.
- xvii. One business reply mail certificate for the return of ground transportation customer comment cards and actual postal charges incurred with the returned business reply comment cards shall be a reimbursable expense.
- xviii. Stationary and business cards shall not be a reimbursable expense.
- xix. City will provide and service computers and related peripheral equipment (e.g., printers, monitors, etc.) use for administrative office functions.
- xx. Computer software programs shall not be a reimbursable expense unless approved in advance by Director as City will provide for and maintain basic software for use in the computers (e.g., word processing, spreadsheet, database, operating system, anti-virus, and internet browser).
- xxi. Computer consumables (e.g., laser cartridges, inkjet cartridges, floppy diskettes, paper, ticket cardstock, etc.) shall be reimbursable upon advance approval from the Airport only if said costs are reasonable and purchases were essential.
- xxii. City will provide and service a photocopier, as well as provide toner for said device. However, any other consumables not provided by City may be purchased by Contractor and reimbursable by the Airport only if advance approval was received by the Airport and said costs are reasonable and essential.
- xxiii. Other office equipment, materials and supplies are reimbursable only if such costs are reasonable and have been approved in advance by Director.
- xxiv. Reimbursement for insurance premiums allowable under this Agreement shall be limited to the amounts reasonably allocable to the contract.
- xxv. *Service charges, finance charges, late payment fees, and other fees or fines included on receipts and/or invoices for allowable reimbursable Other Direct Costs that are submitted to City for reimbursement shall not be reimbursable expenses.*

**8. Section 6.6. Compensation - Not to Exceed Amount** is hereby amended to increase the total compensation payable by an amount not to exceed **\$4,617,000** for the period from July 1, 2013 through June 30, 2014 for a new total not to exceed amount of **\$15,077,000**.

**9. Section 9. Submitting False Claims; Monetary Penalties** is hereby replaced in its entirety to read as follows:

**9. Submitting False Claims; Monetary Penalties.**

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at:

<http://www.amlegal.com/nxt/gateway.dll?f=templates&fn=default.htm&vid=amlegal:sanfrancisco>

**ca.** A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the

City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

**10. Section 23. Rights and Duties upon Termination or Expiration** is hereby amended to add the following new section to the list of sections that shall survive termination or expiration of this Agreement:

**72. PCI Data Security Standard Requirements for 3<sup>rd</sup> Party Vendors**

**11. Section 26. Notices to the Parties** is hereby replaced in its entirety to read as follows:

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

To City: Elizabeth Mingle,  
Senior Transportation Planner  
Landside Operations.  
SFIA  
PO Box 8097  
San Francisco, CA 94128-8097,  
E-Mail: Elizabeth.Mingle@flysfo.com,  
Fax: (650) 821-6508

To Contractor: D. Scott Hutchison  
Vice President, ABM  
FSP PPM Management, LLC.  
45 East Broadway  
Salt Lake City, UT 84111  
Email: SHutchison@abm.com  
Fax: (866) 349-0516

And

Sam Tadesse  
FSP PPM Management, LLC  
465 California Street, Suite 473  
San Francisco, CA 94104  
Email: stadesse@pacificparkonline.com  
Fax: (415) 434-4455

Any notice of default must be sent by registered mail.

12. **Section 34. Federal Non-Discrimination Provisions** is hereby replaced in its entirety to read as follows:

**34. Federal Non-Discrimination Provisions**

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

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

Failure by the contractor to 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.

13. **Section 65. Labor Peace / Card Check Rule** is hereby replaced in its entirety to read as follows:

**65. Labor Peace / Card Check Rule.** Without limiting the generality of other provisions herein requiring Contractor to comply with all Airport Rules, Contractor shall comply with the Airport's Labor Peace / Card Check Rule, adopted on February 1, 2000, pursuant to Airport Commission Resolution No. 00-0049 (the "Labor Peace / Card Check Rule"). Capitalized terms not defined in this provision are defined in the Labor Peace/Card Check Rule. To comply with the Labor Peace/Card Check Rule, Contractor shall, among other actions: (a) Enter into a Labor Peace/Card Check Rule Agreement with any Labor Organization which requests such an agreement and which has registered with the Airport Director or his / her designee, within thirty (30) days after Labor Peace/Card Check Rule Agreement has been requested; (b) Not less than thirty (30) days prior to the modification of 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.

**14. New Section 72. PCI Data Security Standard Requirements for 3<sup>rd</sup> Party Vendors** is hereby added to the Agreement as follows:

**72. PCI Data Security Standard Requirements for 3<sup>rd</sup> Party Vendors.**

a. The provisions set forth in this subsection apply to a Vendor who is a “Service Provider” that either itself, or through a processor, its agent, or subcontractor, stores, processes, handles or transmits cardholder data in any manner. For purposes of this subsection, the term “Cardholder Data” means personally identifiable data about the cardholder (i.e. the plastic card number, card expiration date in combination with the plastic card number, cardholder name in combination with the plastic card numbers, and so on), assigned by the card issuer that identifies the cardholder’s account or other cardholder personal information. For purposes of this section, a “Service Provider” means any person or entity that maintains, processes, transmits or otherwise is permitted access to Cardholder Data, including through its provision of services to City. Customer Information shall include cardholder data and such other customer information as may be defined elsewhere in this Agreement.

(1) Service Provider represents and warrants that it shall implement and maintain Payment Card Industry Data Security Standard Requirements (“PCI Data Security Standard Requirements”) for Cardholder Data, as they may be amended from time to time. The current PCI Data Security Standard Requirements are available on the following Internet site; <https://www.pcisecuritystandards.org/>. As evidence of compliance, Service Provider shall provide, when requested, current evidence of compliance with these data security standards certified by a third party authority recognized by the payment card industry for that purpose.

(2) Service Provider shall maintain and protect in accordance with all applicable Federal, state, local, and PCI laws, rules and regulations the security of all Cardholder Data with performing the Services on behalf of City. Service Provider shall use reasonable precautions, including but not limited to, physical, software, and network security measures, employee screening, training, and supervision, and appropriate agreements with employees, to prevent anyone other than City or its authorized employees from monitoring, using, gaining access to, or learning the import of the Cardholder Data; protect appropriate copies of Cardholder Data from loss, corruption, or unauthorized alteration; and prevent the disclosure of passwords and other access control information to anyone other than authorized City employees.

(3) Service Provider shall indemnify, defend, protect, and hold City harmless from and against any and all claims, losses, damages, notices, and expenses, including without limitation, any fines which City may be required to pay, which result from Service Provider’s breach of the provisions of this Section. Without limiting the generality of the foregoing, it is expressly agreed that if City pays any fine in connection with a breach by Service Provider of the provisions of this Section, the foregoing indemnity

obligation shall require Service Provider to reimburse City the full amount of such fine within thirty (30) days of City delivering written notice to Service Provider of City's payment of such fine. Service Provider, at its sole expense, shall fully cooperate with any investigation of any data loss or other breach of Service Provider's obligations under this Section.

b. The use of Cardholder Data is specifically restricted to only those applications directly pertaining to payments, including transaction authentication, or a required by applicable law.

c. If there is a breach or intrusion of, or otherwise unauthorized access to Cardholder Data stored at or for Service Provider, Service Provider shall immediately notify City, in the manner required by the PCI Data Security Standard Requirements, and provide City and the acquiring financial institution and their respective designees access to Service Provider's facilities and all pertinent records to conduct and audit of Service Provider's compliance with the PCI Data Security Standard Requirements. Service Provider shall fully cooperate with any audits of their facilities and records provided for in this paragraph. Any costs incurred as a result of the breach or audit shall be the responsibility of Service Provider.

d. Service Provider shall maintain appropriate business continuity procedures and systems to ensure availability and security of Cardholder Data in the event of a disruption, disaster, or failure of Service Provider's primary data systems.

e. Service Provider's and its successor's and assigns', compliance with the PCI Data Security Standard Requirements expressly survives termination or expiration of this Agreement.

f. Destruction of Cardholder Data must be completed in accordance with Section 9 of the PCI DSS.

**15. Appendix A, Services to be provided by Contractor, Section 1A. Scope of Work: Taxicab Dispatchers** is hereby replaced in its entirety to read as follows:

Taxicab Dispatchers – Contractor will staff and manage the Airport's taxicab dispatching program on the center island of the arrivals level of the Airport Terminals and inside the Airport's Domestic Short Term Parking Garage (Airport Garage). There are a total of seven (7) zones/stations that shall be staffed by Contractor's personnel: 2 at Terminal 1/Non-SF Taxicab, 1 at Terminal 2, 1 at Terminal 3, 1 at the International Terminal, 1 in the Main Taxicab Holding Lot, 1, 1 in the 1<sup>st</sup> Taxicab Overflow Lot, and 1 at the entry to the Taxicab holding lots. There shall be a minimum of one (1) taxicab dispatcher in the 1<sup>st</sup> Taxicab Overflow Lot inside the Airport Garage and at each of the taxicab loading zones on the arrivals level of the domestic terminals from 7:00 a.m. to 1:00 a.m. (or 2:00 a.m. upon request by the Airport Director or his/her designee) daily, including weekends and holidays. The Main Taxicab Holding Lot shall be staffed with a minimum of one (1) taxicab dispatcher from 8:00 a.m. to midnight daily including weekends and holidays. The Taxi Lot entry area shall be staffed with a minimum of one (1) taxicab dispatcher from 07:00 a.m. to midnight daily including weekends and holidays. The taxicab loading zone fronting the International Terminal shall be staffed with a minimum of one (1) taxicab dispatcher from 8:00 a.m. to 1:00 a.m. daily including weekends and holidays. Taxicab dispatchers shall also arrange ground transportation services to those with special needs (e.g., physically disabled, visually impaired, and the elderly) upon request. In the event of late flights or other circumstances as determined by Airport staff, dispatchers may be required to work on an overtime basis as needed. Contractor shall prepare written operational procedures for taxicab dispatchers that must be approved by Director or his designee in writing and may be revised periodically as requested by Director or his designee as needs change. Contractor will be required to develop and implement improvements to the taxicab dispatching program upon the written request of Director or his designee.



**16. Appendix A, Services to be provided by Contractor, Section 1A. Scope of Work: Security Guards** shall be deleted from this Agreement as City did not assign this work to Contractor.

**17. Appendix B. Calculation of Charges** is hereby amended to increase the total compensation payable by an amount not to exceed \$4,617,000 for the Fiscal Year 2013-2014 commencing July 1, 2013 for a new total compensation payable in an amount not to exceed \$15,077,000 and to add the attached Supplemental Calculation of Charges for the one-year option period:

**Appendix B-1 / Annual Cost Proposal Summary – FY 13-14 Supplement**

**Appendix B-2 / Management Fee & Other Direct Cost Schedule Summary – FY 13-14 Supplement**

**Appendix B-3 / Hourly Salary Ranges Summary – FY 13-14 Supplement**

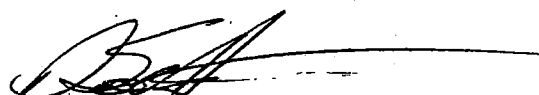

**Appendix B-4 / Cost Proposal Summary – Shared Ride Van Curb Coordination – FY 13-14 Supplement**

**18. Appendix D. Performance Measures** is hereby deleted in its entirety and replaced with the attached Appendix D.

**19. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after **July 1, 2013.**

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

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

| CITY  | CONTRACTOR   |
|---|--|
| AIRPORT COMMISSION<br>CITY AND COUNTY OF<br>SAN FRANCISCO   |  |
| By: _____<br>John L. Martin, Airport Director   | <br>Authorized Signature |
| Attest:   | D. Scott Hutchison<br>Printed Name   |
| By _____<br>Jean Caramatti, Secretary<br>Airport Commission   | Senior Vice President<br>Title   |
| Resolution No: 13-0005  | FSP PPM Management, LLC<br>Company Name  |
| Adopted on: January 15, 2013  | 80706<br>City Vendor Number  |
| Approved as to Form:  | 1150 S Olive Street 19 <sup>th</sup> Floor<br>Address  |
| Dennis J. Herrera<br>City Attorney  | Los Angeles, CA 90015<br>City, State, ZIP  |
| By <br>Constance Menefee<br>Deputy City Attorney | 801-419-1812<br>Telephone Number   |
|   | 27-3597718<br>Federal Employer ID Number   |

**APPENDIX B**  
**Calculation of Charges**  
**FY 13-14 Supplement**

Contractor shall be paid an amount not to exceed that stated in the attached Annual Cost Proposal submitted by Contractor and approved by Director for the first year of this Agreement. Any changes to the Annual Cost Proposal require the written approval of Director or his designee.

Included as follows in Appendix B – FY 13-14 Supplement are the following:

**Appendix B-1 / Annual Cost Proposal Summary – FY 13-14 Supplement**

**Appendix B-2 / Management Fee & Other Direct Cost Schedule Summary – FY 13-14 Supplement**

**Appendix B-3 / Hourly Salary Ranges Summary – FY 13-14 Supplement**

**Appendix B-4 / Cost Proposal Summary – Shared Ride Van Curb Coordination – FY 13-14 Supplement**

**Appendix B-1 / Annual Cost Proposal Summary – FY 13-14 Supplement  
CURBSIDE MANAGEMENT PROGRAM [Airport Funded Program] - July 1, 2013 to June 30, 2014**

| <u>Direct Labor Costs</u>             | <u>Projected<br/>Period<br/>Hours</u> |   | <u>Hourly Rates</u> |         | <u>Period Costs</u>                  | <u>Total Period<br/>Costs</u> |
|---------------------------------------|---------------------------------------|---|---------------------|---------|--------------------------------------|-------------------------------|
|                                       |                                       |   | July -              | Jan. -  |                                      |                               |
|                                       |                                       |   | Dec ^               | June ~  |                                      |                               |
| <u>Program Staff - Classification</u> |                                       |   |                     |         |                                      |                               |
| 1. Curbside Managers                  | 7,380                                 | x | \$27.02             | \$28.37 | = \$                                 | 204,392.79                    |
| 2. Taxi Supervisors                   | 8,467                                 | x | \$22.41             | \$23.08 | = \$                                 | 192,601.96                    |
| 3. Limo/Van Supervisors               | 8,467                                 | x | \$19.47             | \$20.05 | = \$                                 | 167,305.51                    |
| 4. Taxi Dispatchers                   | 64,114                                | x | \$19.32             | \$19.89 | = \$                                 | 1,256,958.78                  |
| 5. Van Coordinator                    | 0                                     | x | \$15.69             | \$16.16 | = \$                                 | -                             |
| 6. Limo Monitor                       | 3,395                                 | x | \$15.69             | \$16.32 | = \$                                 | 54,341.77                     |
| 7. Smartcard Administrative Asst.     | 5,069                                 | x | \$20.00             | \$20.00 | = \$                                 | 101,380.00                    |
| 8. Cashier Supervisor (30 Day Max.)   | 524                                   | x | \$25.43             | \$25.43 | = \$                                 | 13,325.32                     |
| 9. Taxi Cashiers (30 Day Max.)        | 2,160                                 | x | \$21.95             | \$21.95 | = \$                                 | 47,412.00                     |
| 10. Assistant General Manager         | 2,084                                 | x | \$31.25             | \$31.25 | = \$                                 | 65,125.00                     |
| Total Hours                           | 101,660                               |   |                     |         |                                      |                               |
|                                       |                                       |   |                     |         | <b>Subtotal</b>                      | <b>\$ 2,102,843.13</b>        |
| <u>Fringe Benefits</u>                |                                       |   |                     |         |                                      |                               |
| <u>Payroll Taxes</u>                  |                                       |   |                     |         |                                      |                               |
|                                       |                                       |   |                     |         | \$                                   | 206,634.49                    |
|                                       |                                       |   |                     |         | \$                                   | 25,829.31                     |
|                                       |                                       |   |                     |         | \$                                   | 180,805.18                    |
| Health Insurance                      |                                       |   |                     |         | \$                                   | 361,902.84                    |
| Disability Insurance                  |                                       |   |                     |         | \$                                   | -                             |
| Life/Accident Insurance               |                                       |   |                     |         | \$                                   | 7,440.00                      |
| Compensated Leave                     |                                       |   |                     |         | \$                                   | 480,088.00                    |
| Pension                               |                                       |   |                     |         | \$                                   | 141,802.70                    |
|                                       |                                       |   |                     |         | <b>Subtotal</b>                      | <b>\$ 1,404,502.52</b>        |
| <u>Other Direct Costs</u>             |                                       |   |                     |         |                                      |                               |
|                                       |                                       |   |                     |         | <b>Subtotal</b>                      | <b>\$ 374,585.13</b>          |
| <u>Management Fee</u>                 |                                       |   |                     |         |                                      |                               |
|                                       |                                       |   |                     |         | <b>Subtotal</b>                      | <b>\$ 735,069.22</b>          |
|                                       |                                       |   |                     |         | <b>Total Airport Funded Proposal</b> | <b>\$4,617,000.00</b>         |

Notes:

^ Current Union CBAs expire December 31, 2013.

~ New Union contract starts January 1, 2014. The contract has not yet been negotiated and salary and benefit cost changes are not known at this time.

For Budgeting an average of 3% hourly wage increases were assumed.

**Appendix B-2 / Management Fee & Other Direct Cost Schedule Summary – FY 13-14 Supplement**

CURBSIDE MANAGEMENT PROGRAM [Airport Funded Program] - July 1, 2013 to June 30, 2014

Page 1 of 2

**Salaries- Curbside Management Program On-Site Management Staff**

|                          | Annual Salary       |                 | Period Fee<br>Componets |
|--------------------------|---------------------|-----------------|-------------------------|
| <u>1 General Manager</u> | <u>\$ 95,000.00</u> |                 |                         |
|                          |                     | <b>Subtotal</b> | <u>\$ 95,000.00</u>     |

**Fringe Benefits- Curbside Management Program On-Site Management Staff**

Payroll Taxes

|                         |                    |                 |                     |
|-------------------------|--------------------|-----------------|---------------------|
| FICA                    | <u>\$ 7,267.50</u> |                 |                     |
| FUTA                    | <u>\$ 760.00</u>   |                 |                     |
| SUI                     | <u>\$ 5,890.00</u> |                 |                     |
| Health Insurance        | <u>\$ 5,483.88</u> |                 |                     |
| Disability Insurance    | <u>\$ -</u>        |                 |                     |
| Life/Accident Insurance | <u>\$ 330.00</u>   |                 |                     |
| Compensated Leave       | <u>\$ -</u>        |                 |                     |
| Pension                 | <u>\$ 2,850.00</u> |                 |                     |
|                         |                    | <b>Subtotal</b> | <u>\$ 22,581.38</u> |

Required Insurance

|   |                      |                 |                      |
|---|----------------------|-----------------|----------------------|
| Workers Compensation - Airport Funded                     | <u>\$ 122,543.40</u> |                 |                      |
| Workers Compensation - Van Coordinators                   | <u>\$ 75,763.80</u>  |                 |                      |
| Commercial General Liability* (includes Van Budget Costs) | <u>\$ 13,030.50</u>  |                 |                      |
| Business Auto Liability* (includes Van Budget Costs)      | <u>\$ 8,832.60</u>   |                 |                      |
|   |                      | <b>Subtotal</b> | <u>\$ 220,170.30</u> |

Overhead & Profit ^

|                                   |                      |
|-----------------------------------|----------------------|
| Overhead & Profit- Van Operations | <u>\$ 144,136.59</u> |
| Overhead & Profit- Airport Funded | <u>\$ 253,180.95</u> |

**TOTAL CALCULATED ANNUAL MANAGEMENT FEE      \$ 735,069.22**

Notes:

^ Profit reduced to 6% per the contract

**Appendix B-2 / Management Fee & Other Direct Cost Schedule Summary – FY 13-14 Supplement**

**CURBSIDE MANAGEMENT PROGRAM [Airport Funded Program] - July 1, 2013 to June 30, 2014**

Page 2 of 2

**Other Direct Costs- Itemized List**

|  |               |
|--|---------------|
| Airport ID Badges (1)  | \$ 500.00     |
| Fingerprints   | \$ 500.00     |
| Background investigations  | \$ 2,500.00   |
| Broadband Internet Connection (1)                                      | \$ 700.00     |
| Business Reply Postage Fees-Customer Feedback Cards                    | \$ 600.00     |
| Computer Software  | \$ 300.00     |
| Fax Line (1)   | \$ 400.00     |
| Materials & Supplies (Includes Computer Consumables)                   | \$ 11,700.00  |
| Name Badges (1)  | \$ 500.00     |
| Office Equipment   | \$ 1,200.00   |
| Postage (1)  | \$ 400.00     |
| Radio Equipment and Service/Maintenance Agreement                      | \$ 5,100.00   |
| Recruitment (Excluding Management Staff)                               | \$ 3,300.00   |
| Telephone Equipment & Service (1)                                      | \$ 500.00     |
| Telephone Voice Mail   | \$ 1,000.00   |
| Cellular phones (4)  | \$ 11,300.00  |
| Ticket/Form Printing (Excluding Letterhead/ Business Cards) (1)        | \$ 27,600.00  |
| Uniform Purchase, Rental & Cleaning (Line & Supervisory Staff Only)(1) | \$ 15,500.50  |
| Vehicle Leases   | \$ 6,000.00   |
| Vehicle Operating and Maintenance Costs (Except Insurance)             | \$ 6,400.00   |
| Service Incentive Program (1)  | \$ 750.00     |
| Professional Services for Customer Service Training                    | \$ 5,550.00   |
| Mystery Shopper Expenses *   | \$ 19,900.00  |
| Cubic Contract   | \$ 35,000.00  |
| Ventek Contract  | \$ 17,500.00  |
| TMS/GTMS System  | \$ 100,000.00 |
| Other Costs Not Specifically Excluded by the Contract                  | \$ 99,884.63  |
| Other Outside Services   | \$ -          |

**TOTAL OTHER DIRECT COSTS: \$ 374,585.13**

**Notes:**

(1) Reimbursements are limited. See RFP for additional details.

\* Given the significance of the Mystery Shop Program we have added a line item in the budget.

**Appendix B-3 / Hourly Salary Ranges Summary – FY 13-14 Supplement**  
**CURBSIDE MANAGEMENT PROGRAM [Airport Funded Program] - July 1, 2013 to June 30, 2014**

| <u>Management Position</u>                     | <u>Rate (1) (2)</u> |                    | <u>Basis</u>  | <u>OT Status</u>  |
|--|---------------------|--------------------|---------------|-------------------|
|  | <u>July - Dec</u>   | <u>Jan. - June</u> |               |                   |
| <u>1. General Manager</u>                      | <u>\$ 47.04</u>     | <u>\$ 47.04</u>    | <u>Salary</u> | <u>Exempt</u>     |
| <u>Staff Position</u>                          |                     |                    |               |                   |
| <u>1. Curbside Managers</u>                    | <u>\$ 26.00</u>     | <u>\$ 26.00</u>    | <u>Salary</u> | <u>Exempt</u>     |
| <u>2. Taxi Supervisors</u>                     | <u>\$ 22.41</u>     | <u>\$ 23.08</u>    | <u>Hourly</u> | <u>Non-Exempt</u> |
| <u>3. Limo/Van Supervisors</u>                 | <u>\$ 19.47</u>     | <u>\$ 20.05</u>    | <u>Hourly</u> | <u>Non-Exempt</u> |
| <u>4. Taxi Dispatchers</u>                     | <u>\$ 19.32</u>     | <u>\$ 19.89</u>    | <u>Hourly</u> | <u>Non-Exempt</u> |
| <u>5. Van Coordinator</u>                      | <u>\$ 15.69</u>     | <u>\$ 16.16</u>    | <u>Hourly</u> | <u>Non-Exempt</u> |
| <u>6. Limo Monitor</u>                         | <u>\$ 15.69</u>     | <u>\$ 16.16</u>    | <u>Hourly</u> | <u>Non-Exempt</u> |
| <u>7. Smartcard Administrative Asst.</u>       | <u>\$ 20.39</u>     | <u>\$ 20.39</u>    | <u>Hourly</u> | <u>Non-Exempt</u> |
| <u>8. Cashier Supervisor (30 Day Max.) (5)</u> | <u>\$ 25.13</u>     | <u>\$ 25.13</u>    | <u>Hourly</u> | <u>Non-Exempt</u> |
| <u>9. Taxi Cashiers (30 Day Max.)</u>          | <u>\$ 21.68</u>     | <u>\$ 21.68</u>    | <u>Hourly</u> | <u>Non-Exempt</u> |
| <u>10. Assistant General Manager</u>           | <u>\$ 34.66</u>     | <u>\$ 34.66</u>    | <u>Salary</u> | <u>Exempt</u>     |

**NOTES**

- (1) Rate for all hourly and non-exempt positions includes overtime factor and subject to collective bargaining agreements.
- (2) Rate shown is an average and can vary by seniority pursuant to collective bargaining agreements.
- (3) For OT Status, Exempt - No Overtime Paid to Employee and Non-Exempt - Eligible for Paid Overtime.
- (4) There will be new CBAs negotiated by the Contractor effective January 1, 2014 and as such the labor rates may change during the contract term and may be amended without a formal modification of the contract.
- (5) Cashier Supervisor Rate = Taxi Cashier + 15%

**Appendix B-4 / Cost Proposal Summary – Shared Ride Van Curb Coordination – FY 13-14 Supplement**  
**CURBSIDE MANAGEMENT PROGRAM [Non- Airport Funded Program] - July 1, 2013 to June 30, 2014**  
 Page 1 of 2

| <u>Direct Labor Cost Charged to<br/>Door-to-Door Van Operators</u>  | <u>Projected<br/>Period<br/>Hours</u> |   | <u>Hourly Rates*</u> |                  | <u>Period Costs</u> | <u>Total Period<br/>Costs</u>                           |
|---|---------------------------------------|---|----------------------|------------------|---------------------|---|
| <u>Program Staff Classification</u>   |                                       |   | July -<br>Dec ^      | Jan. -<br>June ~ |                     |   |
| 1. Van Coordinator  | 94,229                                | x | \$15.69              | \$ 16.16         | =                   | \$ 1,500,811.53   |
|   |                                       |   |                      |                  |                     | <b>Subtotal: \$1,500,811.53</b>                         |
| <b>Fringe Benefits</b>  |                                       |   |                      |                  |                     |   |
| <b>Payroll Taxes</b>  |                                       |   |                      |                  |                     |   |
|   |                                       |   |                      |                  |                     | \$ 140,422.12   |
|   |                                       |   |                      |                  |                     | \$ 17,552.77  |
|   |                                       |   |                      |                  |                     | \$ 122,869.36   |
|   |                                       |   |                      |                  |                     | \$ 232,520.04   |
| Health Insurance  |                                       |   |                      |                  |                     | \$ -  |
| Disability Insurance  |                                       |   |                      |                  |                     | \$ 4,488.00   |
| Life/Accident Insurance   |                                       |   |                      |                  |                     | \$ 254,465.00   |
| Compensated Leave   |                                       |   |                      |                  |                     | \$ 70,917.75  |
| Pension   |                                       |   |                      |                  |                     | \$ -  |
|   |                                       |   |                      |                  |                     | <b>Subtotal: \$ 843,235.03</b>                          |
| Other Direct Cost Charged to Shared Ride Van Operators  |                                       |   |                      |                  |                     | \$ 48,230.00  |
| Management Fee Charged to Shared Ride Van operators, Including Overhead & Profit (Included in Airport-Funded ACP) |                                       |   |                      |                  |                     | \$ -  |
| <b>Premiums-Non Airport Funded Portion Only</b>   |                                       |   |                      |                  |                     |   |
| <b>Required Insurance</b>   |                                       |   |                      |                  |                     |   |
| Workers Compensation (Included in Airport-Funded ACP)   |                                       |   |                      |                  |                     | \$ -  |
| Commercial General Liability**  |                                       |   |                      |                  |                     | \$ -  |
| Business Auto Liability**   |                                       |   |                      |                  |                     | \$ -  |
|   |                                       |   |                      |                  |                     | <b>Subtotal: \$ -</b>                                   |
|   |                                       |   |                      |                  |                     | <b>Contingency \$ 10,000.00</b>                         |
|   |                                       |   |                      |                  |                     | <b>Total Non-Airport Funded Proposal \$2,402,276.56</b> |

**Notes:**

- ^ Current Union CBAs expire December 31, 2013.
- New Union contract starts January 1, 2014. The contract has not yet been negotiated and salary and benefit cost changes are not known at this time.
- For Budgeting an average of 3% hourly wage increases were assumed.
- \* Includes OT premium
- \*\* Commercial General Liability Costs of \$6,205 and Business Auto Liability Costs of \$4,206 are in the Airport Funded proposal per SFO staff



**Appendix B-4 / Cost Proposal Summary – Shared Ride Van Curb Coordination – FY 13-14 Supplement**  
**CURBSIDE MANAGEMENT PROGRAM [Non- Airport Funded Program] - July 1, 2013 to June 30, 2014**  
 Page 2 of 2

| <u>Other Direct Costs: Itemized List</u>                                | <u>Period Fee Components</u> |
|---|------------------------------|
| New Hire Training   | \$ 2,756.25                  |
| Professional Development and Training                                   | \$ 2,756.25                  |
| Service Incentive Program   | \$ 1,323.00                  |
| Drug Test, Background Checks and Physicals                              | \$ 4,410.00                  |
| SFO ID Badges   | \$ 1,653.75                  |
| Name Badges   | \$ 330.75                    |
| Uniform Purchase/Rental/Cleaning  | \$ 25,000.00                 |
| Radio purchase/repair   | \$ 10,000.00                 |
|   | \$ -                         |
|   | \$ -                         |
| <b>TOTAL OTHER DIRECT COSTS [Charged to Shared Ride Van Operators]:</b> | <b>\$ 48,230.00</b>          |

**Notes:**

(1) Reimbursements are limited. See Contract for additional details.

**APPENDIX D  
PERFORMANCE MEASURES**

The following standards will be among those used by Director to evaluate the performance of the Airport's Curbside Management Program at San Francisco International Airport commencing with the new agreement effective July 1, 2013. Summary and documentation of Performance Measures will be submitted to Landside Operations Quarterly for the previous quarter. Note that additional performance standards may be established by Director as set forth in any future contract amendments.

The overall goal for the Contractor is to score an overall average of 3.0 out of 5.0.

1. Contractor will strive to run an operation that has zero lost time injuries in each Fiscal Year utilizing the OSHA Form 300.

|                                 |  |
|---------------------------------|--|
| <i>5 Points (Excellent)</i>     | <i>No Lost Time Injuries per Fiscal Year</i>           |
| <i>4 Points (Above Average)</i> | <i>One Lost Time Injury per Fiscal Year</i>            |
| <i>3 Points (Average)</i>       | <i>Two Lost Time Injuries per Fiscal Year</i>          |
| <i>2 Points (Below Average)</i> | <i>Three Lost Time Injuries per Fiscal Year</i>        |
| <i>1 Point (Poor)</i>           | <i>Four Lost Time Injuries per Fiscal Year</i>         |
| <i>0 Points (Very Poor)</i>     | <i>Five or More Lost Time Injuries per Fiscal Year</i> |

2. Contractor will maintain an active Safety Committee, conduct monthly Safety Committee meetings, report and document safety hazards as they are identified, and document the resolution of all hazards each Fiscal Year.

|                                 |  |
|---------------------------------|--|
| <i>5 Points (Excellent)</i>     | <i>All Monthly Safety Committee Meetings Conducted and Documented as Scheduled each Fiscal Year</i>                  |
| <i>2 Points (Below Average)</i> | <i>One or Two Monthly Safety Committee Meetings Not Conducted and Documented as Scheduled each Fiscal Year</i>       |
| <i>0 Points (Very Poor)</i>     | <i>Three or More Monthly Safety Committee Meetings Not Conducted and/or Documented as Scheduled each Fiscal Year</i> |

3. Contractor shall strive to provide excellent customer service to all passengers seeking ground transportation using the Airport's Curbside Management Program and receive a minimal number of passenger complaints throughout each Fiscal Year.

|                                 |  |
|---------------------------------|--|
| <i>5 Points (Excellent)</i>     | <i>Average of Zero to Three Valid Passenger Complaints Received Each Quarter per Fiscal Year</i>         |
| <i>4 Points (Above Average)</i> | <i>Average of Four to Seven Valid Passenger Complaints Received Each Quarter per Fiscal Year</i>         |
| <i>3 Points (Average)</i>       | <i>Average of Eight to Eleven Valid Passenger Complaints Received Each Quarter per Fiscal Year</i>       |
| <i>2 Points (Below Average)</i> | <i>Average of Twelve to Fifteen Valid Passenger Complaints Received Each Quarter per Fiscal Year</i>     |
| <i>1 Point (Poor)</i>           | <i>Average of Fourteen to Seventeen Valid Passenger Complaints Received Each Quarter per Fiscal Year</i> |
| <i>0 Points (Very Poor)</i>     | <i>Average of Eighteen or More Valid Passenger Complaints Received Each Quarter per Fiscal Year</i>      |

4. Contractor will ensure that new employees receive the required initial training and point of service training for their position before being assigned to a solo work shift on the curb. All new employee training and status shall be documented and updated regularly when conditions change.

*5 Points (Excellent) All New Employees Received the Required Training during Fiscal Year*

*0 Points (Very Poor) One or More New Employees Did Not Receive the Required Training Before Being Assigned a Solo Work Shift during Fiscal Year.*

5. Recurrent annual employee customer service training to occur during the third quarter of the Fiscal Year. All recurrent training and status shall be documented and updated regularly when conditions change.

*5 Points (Excellent) Customer Service Training of All Employees Conducted and Documented as Scheduled*

*2 Points (Below Average) Customer Service Training Conducted and Documented as Scheduled, but not all Employees Attended, unless there were Extenuating Circumstances Approved by Airport Director or his/her designee.*

*0 Points (Very Poor) Customer Service Training not Conducted and/or Documented as Scheduled.*

6. Curbside Management Program management will conduct weekly supervisory and management meetings, the topics of which will be documented and set forth quarterly. Regularly scheduled meetings that fall on a holiday are exempted.

*5 Points (Excellent) All Scheduled Meetings Held and Documented each quarter per Fiscal Year*

*4 Points (Above Average) One or Two Scheduled Meeting Missed or not Documented each quarter per Fiscal Year*

*3 Points (Average) Three or Four Scheduled Meetings Missed or not Documented each quarter per Fiscal Year*

*2 Points (Below Average) Five or Six Scheduled Meetings Missed or not Documented each quarter per Fiscal Year*

*1 Point (Poor) Seven or Eight Scheduled Meetings Missed or not Documented each quarter per Fiscal Year*

*0 Points (Very Poor) Nine or More Scheduled Meetings Missed or not Documented each quarter per Fiscal Year*

7. Curbside Management Program management will provide and document on-going communications between Curbside Management Program team members and management personnel, which may include Changes in Standard Operating Procedures, Posted Memorandums, Individual Informal retraining documented in training logs and Shift Reports, Shift Bid Documentation, Disciplinary Grievance Log, and a Summary of Employee Annual Appraisal Scores (in the 2<sup>nd</sup> quarter of the Fiscal Year).

*5 Points (Excellent) Documentation of On-Going Communications between Management and Team Members Provided each Quarter during the Fiscal Year*

- 0 Points (Very Poor) *No Documentation of On-going Communications between Management and Team Members Provided each Quarter during the Fiscal Year.*
8. Curbside Management Program management will provide documentation of on-going employee customer service training and communications between Management and team members.
- 5 Points (Excellent) *Documentation of On-Going Employee Customer Service Training and Communications between Management and Team Members Provided each Quarter.*
- 0 Points (Very Poor) *Documentation of On-going Employee Customer Service Training and Communications between Management and Team Members not Provided each Quarter.*
9. Contractor shall provide all staff with adequate training in preparing and/or reviewing written incident reports. Clear and well-written incident reports shall be submitted weekly to Landside Operations, after review by Contractor.
- 5 Points (Excellent) *All Reports Reviewed by Contractor and All Valid Reports Transmitted to Landside Operations within One Week of the Date of the Incident per Quarter during the Fiscal Year*
- 4 Points (Above Average) *One to Five Valid Reports Missed by Contractor and Not Transmitted to Landside Operations within One Week of the Date of the Incident per Quarter during the Fiscal Year*
- 3 Points (Average) *Six to Ten Reports Missed by Contractor and Not Transmitted to Landside Operations within One Week from the Date of the Incident per Quarter during the Fiscal Year*
- 2 Points (Below Average) *Eleven to Fifteen Valid Reports Missed by Contractor and Not Transmitted to Landside Operations within One Week of the Date of the Incident per Quarter during the Fiscal Year*
- 1 Point (Poor) *Sixteen to Twenty Valid Reports Missed by Contractor and Not Transmitted to Landside Operations within One Week of the Date of the Incident per Quarter during the Fiscal Year*
- 0 Points (Very Poor) *Twenty-One or More Valid Reports Missed By Contractor and Not Transmitted to Landside Operations within One Week of the Date of the Incident per Quarter during the Fiscal Year.*
10. Curbside Management Program management is expected to be extremely prudent with any and all funds received by the Airport to staff and manage the Curbside Management Program.
- 5 Points (Excellent) *Billed expenditures for the Fiscal Year are 10.00% or more below the budget agreed upon between Contractor and City as set forth in the Annual Cost Proposal excluding any special budget requests from the Airport*
- 4 Points (Above Average) *Billed expenditures for the Fiscal Year are between 5.00% and 9.99% or more below the budget agreed upon between Contractor and City as set forth in the Annual Cost Proposal excluding any special budget requests from the Airport*
- 3 Points (Average) *Billed expenditures for the Fiscal Year are between 0.00% and 4.99% below the budget agreed upon between Contractor and*

- 2 Points (Below Average)* *City as set forth in the Annual Cost Proposal excluding any special budget requests from the Airport  
Billed expenditures for the Fiscal Year are between 0.99% and 4.99% above the budget agreed upon between Contractor and City as set forth in the Annual Cost Proposal excluding any special budget requests from the Airport*
- 1 Point (Poor)* *City as set forth in the Annual Cost Proposal excluding any special budget requests from the Airport  
Billed expenditures for the Fiscal Year are between 5.00% and 9.99% above the budget agreed upon between Contractor and City as set forth in the Annual Cost Proposal excluding any special budget requests from the Airport*
- 0 Points (Very Poor)* *City as set forth in the Annual Cost Proposal excluding any special budget requests from the Airport  
Billed expenditures for the Fiscal Year are 10.00% or more above the budget agreed upon between Contractor and City as set forth in the Annual Cost Proposal excluding any special budget requests from the Airport*

**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**

**FSP PPM Management, LLC  
Contract No. 8994**

This Agreement is made this 1st day of October, 2010, in the City and County of San Francisco, State of California, by and between: FSP PPM Management, LLC, 515 South Flower Street, Suite 3200, Los Angeles, CA 90071 hereinafter referred to as "Contractor," and the City and County of San Francisco, a municipal corporation, hereinafter referred to as "City," acting by and through its Airport Commission or the Commission's designated agent, hereinafter referred to as "Commission."

**Recitals**

WHEREAS, Commission wishes to engage an independent contractor to operate a comprehensive curbside management program to monitor and oversee the shared ride van, limousine, and taxicab operations at the San Francisco International Airport; and,

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

WHEREAS, a Request for Proposal ("RFP") was issued on February 1, 2010, and City selected Contractor as the highest qualified scorer pursuant to the RFP; and

WHEREAS, Commission awarded this contract to Contractor on July 6, 2010, pursuant to Resolution No. 10-0228; and

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

WHEREAS, approval for this Agreement was obtained when the Civil Service Commission approved Contract number 4100-09/10 on March 15, 2010;

Now, THEREFORE, the parties agree as follows:

**1. Defined Terms**

As used in this Agreement, the following capitalized terms shall have the following meanings:

1.1 "Actual Direct Costs" means amounts actually incurred and paid by Contractor for the direct costs of providing the Services required under this Agreement. Actual Direct Costs include salaries and fringe benefits for direct labor (which excludes those of the On-Site Management Staff); and materials, supplies, and other direct costs specifically provided for in the Annual Cost Proposal submitted by Contractor and approved by City as provided for in Section 6.5, "Reimbursement of Other Direct Costs". Actual Direct Costs specifically exclude depreciation, debt-related interest, any fines or judgments levied against Contractor, costs associated with any components of the Management Fee, any costs to be paid directly by the shared ride van operators, and any other indirect costs. Contractor and City agree that

Generally Accepted Accounting Principles (GAAP) shall govern the resolution of any disputes regarding the definition and classification of any cost.

1.2 "Affiliate" means a person, business, business or other entity that directly or indirectly and/or through one or more intermediaries, controls or is controlled by, or is under common control with Contractor.

1.3 "Airport Rules" means the Airport's Rules and Regulations, as the same may be amended from time to time.

1.4 "Airport's TI Guide" means the Airport's Tenant Improvement Guide, as the same may be amended from time to time.

1.5 "Annual Cost Proposal" means the annual cost proposal prepared and submitted by Contractor and approved by Commission. Such Annual Cost Proposal shall set forth the proposed Management Fee and Actual Direct Costs.

1.6 "CPI" means the Consumer Price Index published by the US Department of Labor, Bureau of Labor Statistics known as "Services Less Rent or Shelter – All Urban Consumers – San Francisco/Oakland/San Jose, California." In the event such index is discontinued, then "CPI" shall mean an index chosen by Director that is, in Director's reasonable judgment, comparable to the index specified above.

1.7 "Curbside Management Program On-Site Management Staff" shall mean the positions set forth below effective July 1, 2010.

#### General Manager

1.8 "Environmental Laws" shall mean any Federal, State, local, or administrative law, rule, regulation, order, or requirement relating to industrial hygiene, environmental conditions or hazardous materials, whether now in effect or hereafter adopted, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §9601, et. seq.), the Resources Conservation and Recovery Act of 1976 (42 U.S.C. §9601, et. seq.), the Clean Water Act (33 U.S.C. §1251, et. seq.), the Safe Drinking Water Act (14 U.S.C. §401, et. seq.), the Hazardous Materials Transportation Act (49 U.S.C. §1801, etc. seq.), the Toxic Substance Control Act (15 U.S.C. §2601, et. seq.), the California Hazardous Waste Control Law (California Health and Safety Code §25100, et. seq.), the Porter-Cologne Water Quality Control Act (California Water Code §13000, et. seq.), and the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health and Safety Code §25249.5, et. seq.).

1.9 "Facilities" means, collectively, each of the designated ground transportation loading zones and ancillary equipment and systems encompassed in this Agreement. Commission reserves the right to expand or contract the Facilities to include or exclude any new or existing ground transportation loading zones, equipment and/or systems to accommodate the Airport's needs, all as determined at the Director's sole discretion. In the event the Facilities are expanded or contracted, the Management Fee shall not be adjusted.

1.10 "Fiscal Year" means the City and County of San Francisco's budget year from July 1 through June 30 of the following calendar year.

1.11 "Hazardous Materials" shall mean any material that, because of its quantity, concentration, physical or chemical characteristics, is deemed by any Federal, State, or local government authority to

pose a present or potential hazard to human health or safety, or to the environment. "Hazardous Material" includes, without limitation, any material or substance defined as a "hazardous substance" or "pollutant" or "contaminant" pursuant to any Environmental Law; any asbestos and asbestos containing materials; petroleum (including crude oil or any fraction thereof), natural gas or natural gas liquids, and any materials listed in the Airport's TI Guide.

1.12 "Laws" means, collectively, all present and future Federal, State, and local laws, as the same may be amended from time to time, whether foreseen or unforeseen, ordinary as well as extraordinary, including all laws relating to (a) health and safety; (b) disabled access, including the Americans with Disabilities Act (42 U.S.C. §12010, et. seq.) and Title 24 of the California Code of Regulations (collectively "ADA"); (c) Hazardous Materials; and (d) fire sprinkler, seismic retrofit, and other building code requirements.

1.13 "Management Fee" means the annual amount agreed to by City and Contractor, as described below, representing payment to Contractor for the salaries and fringe benefits of the Curbside Management Program On-Site Management Staff.

1.14 "Contractor Equity" shall mean any owner, director, contractor, affiliate, employee, or agent of Contractor.

1.15 "Other Direct Costs" ("ODCs") means actual direct costs other than salaries and fringe benefits of direct labor.

1.16 "Services" means the management and operations services described in Appendix A attached hereto.

1.17 Left Blank by Agreement of the Parties.

1.18 "Shared Ride Van Operators" (formerly Door-to-Door Vans) means those shared ride van operators who hold permits issued by the Airport to provide shared-ride, on-demand van service pursuant to a Passenger Stage Certificate issued by the California Public Utilities Commission.

1.19 "Limousine Operators" means those limousine operators who hold permits issued by the Airport to provide charter service in luxury sedans or sport utility vehicles of standard or extended length pursuant to a Transportation Charter Party certificate issued by the California Public Utilities Commission.

1.20 "Taxicab Operators" means those taxicab operators who are licensed and/or permitted by a municipality to provide on-demand service in vehicles either with or without a taxicab meter.

**2. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of the City's Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.



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

**3. Term of the Agreement.** Subject to Section 2, the term of this Agreement shall be from the earlier of the date of Director's Notice to Proceed or **January 1, 2011 to June 30, 2013, with up to three (3) one-year options to renew at the sole and absolute discretion of the Airport Commission.** In the event that Director issues a Notice to Proceed prior to January 1, 2011, the final option year, if exercised, shall be reduced by the number of days Contractor provided curbside management services before January 1, 2011. The Director may issue a Notice to Proceed prior to January 1, 2011 if the Director, in his sole discretion, determines that it is in the public interest to have Contractor begin services prior to January 1, 2011 ("Early Start Date"). The period from the Early Start Date to January 1, 2011 shall be known as the Early Start Date Period.

**4. 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.

**5. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

**6. Compensation.**

**6.1 Invoicing and Payments**

(a) Contractor shall invoice City for Curbside Management Program services incurred in staffing and managing the limousine and taxicab operators (a) within ten (10) days after the 15<sup>th</sup> day of each month representing services performed during the period commencing on the 1<sup>st</sup> day of that month and ending on the 15<sup>th</sup> day of that month (the "First Period") and (b) within ten (10) days after the last day of each month, representing services performed during the period commencing on the 16<sup>th</sup> day of the said month and ending on the last day of the said month (the "Second Period"). Contractor shall directly bill the individual shared ride van operators by invoice for Curbside Management Program services incurred in staffing and operating the shared ride van operators' portion of the Program (with information copy provided to City) with costs apportioned among all of the shared ride van operators as set forth in Appendix E "Shared ride Van Curb Coordination Cost Allocation Summary". Upon notice from Contractor that a shared ride van operator is delinquent on payments for Curbside Management Program services, City will investigate the matter and, if necessary, invoke any remedies as set forth in the Airport Operating Permit between the particular shared ride van operator and City. Invoices to the shared ride van operators are to be sent within the abovementioned time frames for those time periods as set forth above and in accordance with separate agreements to be entered into between Contractor and the individual shared ride van operators. The monthly installment of the Management Fee invoiced to City shall be invoiced in the First Period invoice only. All such invoices to City shall include cost reports, original receipts, certifications, and back-up materials as City shall request; however, City will not accept any requests for reimbursement from Contractor for items whose receipts, certifications, and back-up materials are submitted more than sixty (60) days after the date of the invoice unless written approval is obtained in advance from City. City shall pay Contractor for each invoice submitted to City within forty-five (45) days after receipt and approval of such invoices and other materials as needed. Contractor agrees that City shall not be liable for any non-payments by any shared ride van operator. City or shared ride van operators shall have no obligation to pay for any services invoiced that have not been performed as required by this Agreement as determined at the sole discretion of the Airport's Landside Operations division. 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 Landside Operations 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 obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments or those amounts billed directly to the shared ride van operators.

(b) Invoices furnished by Contractor under this Agreement for services related to the limousine and taxicab operators, as well as any other costs listed in Appendix B as attached in this contract, must be in a form acceptable to the Office of the City Controller, and must include the Contract Progress Payment Authorization number. All amounts paid by City to Contractor shall be subject to audit by City.

(c) Payment shall be made by City to Contractor at the following address:

**FSP PPM Management, LLC.  
515 South Flower Street, Suite 3200  
Los Angeles, CA 90071**

6.2 Compensation Structure. Compensation payable by City to Contractor hereunder is comprised of the Management Fee and the Actual Direct Costs for those Curbside Management Program services related to the limousine and taxicab operators, and the supervision and management of the shared ride van operators, as more fully set forth in Appendix B-1/"Annual Cost Proposal Summary". On or before the first day of February of the first and subsequent years, Contractor shall submit to City the Annual Cost Proposal for all elements of the Curbside Management Program, including those costs proposed to be assessed to the shared ride van operators, for the upcoming Fiscal Year. The Annual Cost Proposal shall set forth the proposed Management Fee and Actual Direct Costs for the services related to the limousine and taxicab operators, and the supervision and management of the shared ride van operators, and shall set forth as a separate submittal the Annual Cost Proposal for only the Actual Direct Services related to the shared ride van operators (City will pay the Management Fee, Overhead and Profit, Workers Compensation, and General Liability Insurance related to the shared ride van operators). Contractor may utilize a nationwide blended Worker's Compensation rate with the Airport Director or Designee's approval, based on submittal with the Contractor's proposed Annual Cost Proposal, of proper documentation of the proposed rate and verifying that the proposed rate is more economical than using Contractor's State of California Worker's Compensation rate, and verifying that all Contractor employees will be properly covered based on all Federal, State and local laws, statutes, and ordinances using the proposed rate. Contractor shall incur no expenses under this Agreement unless and until the Annual Cost Proposal has been approved in writing by the City. Compensation payable to Contractor for each contract period shall be limited by the amounts set forth in the approved Annual Cost Proposal. Payment of the costs set forth in Appendix B-4 "Annual Cost Proposal - Shared ride Van Operators" shall be the sole and exclusive responsibility of the shared ride van operators in accordance with those separate agreements entered into between Contractor and each shared ride van operator.

The Management Fee is set forth in Appendix B-2 "Management Fee Schedule". The approved Annual Cost Proposal for the services related to the limousine and taxicab operators and the supervision and management of the shared ride van operation is set forth in Appendix B-1, "Annual Cost Proposal", also attached hereto and incorporated by reference as though fully set forth herein. The Annual Cost Proposal for the services related to the shared ride van operators is set forth in Appendix B-4, "Annual Cost Proposal - Shared ride Van Operators", also attached hereto and incorporated by reference as though fully set forth herein.

### 6.3 Management Fee Adjustment and Limitations

(a) If and to the extent that City exercises the option(s) to extend the term of this Agreement, the Management Fee for the extension term(s) shall be increased in the same proportion as the increase in the

CPI at such time as compared to the CPI on the commencement date of this Agreement. With the exception of workers compensation premiums and additional services requested in writing by Director, the increases provided for in this section for the management fee shall be limited to three (3%) percent per annum, with a further limitation of ten percent (10%) in total during the duration of this Agreement, including any extensions.

(b) The Overhead and Profit component of the Management Fee, as set forth in Appendix B-2, shall not exceed seven percent (7%) of the Annual Cost Proposal for the initial term of this Agreement. If and to the extent City exercises the option(s) to extend the term of this Agreement, the Overhead and Profit component for the extension term(s) shall be subject to the following limitations, expressed as a percentage of the Annual Cost Proposal for that term:

First Extension Term – 6%

Second Extension Term – 5%

Third Extension Term – 4%

(c) Notwithstanding the foregoing, in no event shall the amounts paid by City for the salaries and fringe benefits of each of the Curbside Management Program management staff exceed amounts actually incurred and paid by Contractor. Any amounts billed by Contractor in excess of amounts actually incurred and paid shall be promptly reflected as credits in Contractor's invoices to City. All amounts billed by Contractor are subject to audit and adjustment by City.

(d) Contractor shall provide their employees under this Agreement the option of having their paychecks deposited using electronic direct deposit to a bank account designated by each employee. Enrollment in direct deposit shall start early enough so that for enrolled employees the first paychecks issued under this Agreement can be direct deposited.

#### 6.4 Labor Cost Limitations

(a) The individual direct labor cost rates, exclusive of fringe benefits, shall be within the salary ranges as set forth in Appendix B-3 "Hourly Salary Ranges" attached hereto and incorporated by reference as though fully set forth herein.

(b) The individual direct labor cost rates are subject to salary administration by Contractor, but in no case are they to be adjusted more than five percent (5%) without the prior written approval of the Director or his designee.

(c) The following direct labor costs are not allowable without the prior written approval of the Director or his designee:

- Premium costs not already budgeted in Appendix B-1/Annual Cost Proposal Summary incurred as a result of working overtime or holidays.

(d) If and to the extent Contractor anticipates or receives any subsidies or grants of money from any governmental agency for participating in a government-sponsored program for persons employed under this Agreement, such subsidies or grants shall be reflected as credits in the Annual Cost Proposal, and such credits shall be properly reflected in Contractor's invoices to City.

(e) The parties acknowledge that labor costs could increase the cost of performing the services under this Agreement. Accordingly, Contractor shall keep City apprised of all negotiations with labor

regarding labor costs, including the negotiation of any collective bargaining agreements. Notwithstanding the foregoing, increases in labor rates billed by Contractor shall be subject to all limitations set forth in this section. All collective bargaining agreements entered into by Contractor must be consistent with this Agreement and provided to City as public records.

#### 6.5 Reimbursement of Other Direct Costs

(a) All Other Direct Costs, which alone, or taken together with all similar Other Direct Costs, exceed Two Hundred Fifty Dollars (\$250), shall be subject to Director's prior written approval; provided, however, that such prior approval shall not be necessary for Other Direct Costs which are specified with reasonable detail in the approved Annual Cost Proposal and are within the limits of such approved Annual Cost Proposal. Without the prior written consent of Director, City will not reimburse Contractor for any costs for goods or services provided hereunder by any Contractor entity.

(b) Reimbursement for Other Direct Costs shall be subject to the following requirements: a) conform with the terms of this Agreement, b) be necessary in order to accomplish the Description of Services as set forth in Appendix A, c) be reasonable for the services to be performed or goods to be purchased as determined by Director or his designee, and d) be actual net costs or prices to Contractor (the cost or price less any refunds, rebates, or other items of value received by Contractor that have the effect of reducing the cost or price actually incurred). City reserves the right to refuse payment of any costs that it considers unreasonable, unnecessary or non-beneficial.

(c) Except as otherwise provided in Section 6.5(h), City retains ownership of any and all goods and services purchased and reimbursed by City upon termination of the Agreement.

(d) City shall reimburse Contractor a maximum of \$2,000 per twelve month period for employee recognition awards.

(e) Contractor is to maximize the use of purchasing contracts with vendors for purchases of the necessary goods and services to operate the Curbside Management Program. All purchasing contracts must be cost-effective and/or provide favorable prices and terms. Director must review all such purchasing contracts and reserves the right to require Contractor to seek other vendors for said goods and services.

(f) The following items are not eligible for reimbursement under this Agreement: food and beverages (excluding bottled water) which are not provided as part of an Airport-approved training program, non-office related computer software (including screen savers), and gifts of a personal nature. Director may add to this list as necessary with prior written notice to Contractor.

(g) Reimbursements to Contractor by City for Other Direct Costs shall also be limited as follows and must in each case be accompanied by receipt for payment:

- Reimbursement for expenses incurred in recruiting new non-management employees shall be approved in advance by Director. Such costs are to be reasonable and supported with actual invoices from the provider(s).
- Reimbursement for employee background investigations through the Airport's Security Access Office shall be limited in the first year of the contract to a total not to exceed \$10,000 upon the submittal of receipts. In each subsequent year, reimbursements shall be limited to an amount not to exceed \$1,500 upon the submittal of receipts.
- Reimbursement for Airport employee identification cards shall be limited in the first year of the contract to an amount not to exceed \$10,000 upon the submittal of receipts. In each subsequent

- year, reimbursements shall not exceed \$1,500 upon the submittal of receipts. However, costs for lost or stolen Airport employee identification cards are not a reimbursable expense.
- Reimbursement for Airport-approved employee name badges shall be limited in the first year of the contract to a total not to exceed \$1,500 upon the submittal of receipts. In each subsequent year, the reimbursement amount shall not exceed \$500 upon the submittal of receipts. However, costs for lost or stolen name badges shall not be a reimbursable expense.
  - Uniform purchase, rental and cleaning shall be a reimbursable expense for only line and immediate supervisory personnel. Such costs are to be reasonable and supported with actual invoices from the provider(s).
  - Payroll services shall not be a reimbursable expense. However, personnel timekeeping equipment and maintenance shall be a reimbursable expense only if such costs are reasonable and supported with actual invoices from the provider.
  - Hourly wages and benefits for employees repeating a training course shall not be a reimbursable expense.
  - Reimbursement for administrative office telephones will be limited to an annual lease amount of \$5,400 (rental cost of six standard Airport ITT Avaya 8410D phones with local service) or the actual cost of administrative office telephones, whichever is less. Toll, long distance and directory assistance calls are not reimbursable.
  - Reimbursement for voice mail will be limited to an annual cap of \$1,500 (cost of six standard ITT voice mailboxes) or the actual cost of voice mail, whichever is less.
  - City will provide the facsimile machine and the necessary consumables.
  - Reimbursement for an analog facsimile phone line will be limited to an annual cap of \$400 (cost of a standard Airport ITT analog data/fax line). Toll and long distance charges shall not be reimbursable expenses.
  - The purchases of cellular phone or wireless messaging devices are subject to advance written approval by the Airport. If approved, reimbursement for monthly service shall be limited to an amount not to exceed an average of \$60 per device not including applicable telecommunications taxes. Toll, long distance and directory assistance calls are not reimbursable.
  - Reimbursement for broadband Internet access will be limited to an annual cap of \$1,800 (cost of one Airport ITT broadband Internet data line). Electronic mailbox charges shall not be a reimbursable expense.
  - Postage charges for routine certified, first-class and priority mail letters emanating from other offices outside the Airport shall not be a reimbursable expense.
  - Express, next-day, or two-day shipments (e.g., DHL, Federal Express, UPS, etc.) shall not be a reimbursable expense unless it is part of an authorized purchase of equipment or other materials and supplies.
  - One business reply mail certificate for the return of ground transportation customer comment cards and actual postal charges incurred with the returned business reply comment cards shall be a reimbursable expense.
  - Stationary and business cards shall not be a reimbursable expense.
  - City will provide and service computers and related peripheral equipment (e.g., printers, monitors, etc.) use for administrative office functions.
  - Computer software programs shall not be a reimbursable expense unless approved in advance by Director as City will provide for and maintain basic software for use in the computers (e.g., word processing, spreadsheet, database, operating system, anti-virus, and internet browser).
  - Computer consumables (e.g., laser cartridges, inkjet cartridges, floppy diskettes, paper, ticket cardstock, etc.) shall be reimbursable upon advance approval from the Airport only if said costs are reasonable and purchases were essential.
  - City will provide and service a photocopier, as well as provide toner for said device. However, any other consumables not provided by City may be purchased by Contractor and reimbursable

by the Airport only if advance approval was received by the Airport and said costs are reasonable and essential.

- Other office equipment, materials and supplies are reimbursable only if such costs are reasonable and have been approved in advance by Director.
- Reimbursement for insurance premiums allowable under this Agreement shall be limited to the amounts reasonably allocable to the contract.

(h) City shall pay Contractor a maximum of \$500.00 per month for Contractor's use of a late model vehicle held in title by Contractor and used by Contractor in the performance of this Agreement. Vehicle shall not be more than five model years old and in good working condition at all times while being used under the terms of this Agreement. Vehicle will be housed at the San Francisco International Airport during the term of the Agreement and shall be driven exclusively by Contractor employees performing work directly related to the "Services Contractor Agrees to Perform" as defined in this Agreement. Contractor agrees to allow the Airport to affix an AVI transponder to the vehicle which will be removed when the vehicle will no longer be used by Contractor in performance of this Agreement. In addition to the monthly fee, City shall reimburse Contractor for Contractor's actual cost of State registration, auto liability insurance, gasoline that is priced at or below the area average, routine maintenance, and repairs necessary to keep the vehicle in good working condition during term of the Agreement, unless such costs will be paid or reimbursed to Contractor through an insurance policy or warranty. If the vehicle is not in operable condition for 3 or more days, Contractor will provide a rental car until the vehicle is able to be safely placed back in to service. City shall approve in advance the rental car costs and shall reimburse Contractor for the actual rental cost paid by Contractor, unless the rental costs are to be paid through an insurance policy. The monthly fee for the vehicle shall be prorated for the time the vehicle is not available. At the termination of Agreement, Contractor will retain title to vehicle and be responsible for all costs associated with the vehicle.

#### 6.6 Not to Exceed Amount

In no event shall the amount of this Agreement exceed \$10,450,000 for the contract period from January 1, 2011 to June 30, 2013. In the event the contract includes the Early Start Date Period, the total amount of this Agreement shall not exceed \$11,200,000. The breakdown of costs associated with this Agreement appears in Appendix B "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. Notwithstanding the foregoing, in the event the term of this Agreement is extended, the amount of the Agreement may be increased by parties to reflect the approved Annual Cost Proposal for the particular option and shall be subject to Commission approval. In the event the City chooses to exercise any option year, the total not-to-exceed amount of the entire contract, including any future option years permitted under the Agreement, shall not exceed \$26,000,000.

#### 6.7 HRC Forms Related to Payments

The Controller is not authorized to pay invoices submitted by Contractor if Contractor has failed to submit any required Airport Concessionaire Disadvantaged Business Enterprise (ACDBE) forms relating to payments.

#### 6.8 Early Start Date Period

In the event Director issues a Notice to Proceed prior to January 1, 2011, compensation payable by City to Contractor hereunder shall be comprised of a Management Fee and the Actual Direct Costs for those Curbside Management Program services related to the limousine and taxicab operators, and the supervision and management of the shared ride van operators, as more fully set forth in Appendix B-5 "Early Start Date Period Cost Proposal." attached hereto and incorporated by reference as though fully set forth herein. Early Start Date Period monthly Management Fee shall equal one-sixth (1/6) of the Total

Period Management Fee in Appendix B-2 "Management Fee & Other Direct Cost Schedule Summary" for the period from January 1, 2011 through June 30, 2011 pro-rated per day during the first month of the Early Start Date Period. Direct costs conforming with the requirements and limitations of Section 6.5 of this Agreement shall be reimbursed upon submittal of receipts with invoices. The monthly Shared Ride Van Coordination Fee during an Early Start Date Period shall be one-sixth (1/6) of the Total Period Cost Proposal – Vans in Appendix B-4 "Cost Proposal Summary – Shared Ride Van Curb Coordination" pro-rated per day during the first month of the Early Start Date Period and subject to adjustment per Appendix E "Shared Ride Van Curb Coordination Cost Allocation Summary."

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

**8. 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 and the City's designated Controller 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."

**9. Submitting False Claims; Monetary Penalties.** Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at <http://www.municode.com/Library/clientCodePage.aspx?clientID=4201>. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

**10. Disallowance.** Left Blank at the Agreement of the Parties – No State or Federal Funds Involved

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

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

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

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

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

**12. 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.

### **13. Qualified Personnel.**

a. **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 perform the services specified in this Agreement.

b. **Interests in Ground Transportation.** Due to the nature of the contracted work, Contractor (including any agents, employees, officers, etc.) shall not have a financial, legal, or any other business/commercial interest in any operator of charter bus/van, shared ride van, limousine, scheduled airporter, or taxicab services (including entities holding or having a business/commercial interest in San Francisco taxicab medallions) at San Francisco International Airport. This prohibition shall commence upon signing the Agreement and shall remain in force throughout the life of the contract.

c. **Key Personnel.** Without limiting the generality of the foregoing, Contractor agrees that the specified Curbside Management Program On-Site Management Staff, Assistant General Manager, and Shift Managers shall perform the corresponding functions during the entire term of this Agreement. It is recognized that such personnel are not bound by personal employment contracts to Contractor. Contractor agrees that reassignment or replacement of any such personnel during the Agreement period requires prior written approval of the Airport's Landside Operations division, which approval shall not be unreasonably withheld. If reassignment or replacement is approved by the Airport, Contractor shall



provide Airport with the opportunity to review and approve replacement personnel for those positions, which approval shall not be unreasonably withheld. On-Site Managers must be on-Airport on a full time basis during their respective periods of responsibility. In the event of any vacancies in the Curbside Management Program On-Site Management Staff which continue for more than three (3) weeks or fifteen (15) days whichever is less, the Management Fee shall be reduced accordingly until such vacancy is filled.

d. **Affiliates.** Without the prior written consent of Director, Contractor shall not do any business with any affiliate for any services hereunder, including the provision of any services or the purchase, installation, maintenance, or removal of any good. Contractor shall immediately disclose the names and relationships of any affiliates that Contractor desires to do business with for services hereunder.

e. **Background Investigations and Airport Photo Identification Cards.** All Contractor personnel assigned to perform services as required under this Agreement, including On-Site Management, shall undergo and pass a background investigation conducted by the Airport's Security Access Office prior to assignment at the Airport. Reimbursement for the costs of the background investigation (including fingerprinting) and the employee's initial Airport photo identification card shall be limited as set forth in Section 6.5(g). City will not reimburse Contractor for any replacement Airport photo identification cards.

**14. 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.

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

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

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

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

## 16. Insurance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**17. Indemnification.** Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City. In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter. Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

**18. 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.

**19. 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.

**20. Liquidated Damages.** By entering into this Agreement, Contractor agrees that in the event the Services, as provided under Section 4 herein, are delayed beyond the scheduled milestones and timelines as provided in Appendix A, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of **Ten thousand dollars (\$10,000)** per day for each day of delay beyond scheduled milestones and timelines is not a penalty, but is a reasonable estimate of the loss that City will incur based on the delay, established in light of the circumstances existing at the time this contract was awarded. City may deduct a sum representing the liquidated damages from any money due to Contractor. Such deductions shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to deliver to City within the time fixed or such extensions of time permitted in writing by Purchasing.

Contractor further agrees that if City determines, based upon a valid and substantiated claim for reimbursement submitted by a ground transportation passenger holding a prepaid reservation with a specific ground transportation operator that they were directed by Contractor's employees to a different operator's ground transportation service which resulted in passenger's loss of the pre-payment, Contractor shall reimburse that passenger for the amount of the pre-payment and such reimbursement expense shall not be eligible for reimbursement by City.

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

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

- |   |                                       |
|---|---------------------------------------|
| 9. Submitting False Claims                          | 38. Drug-free Workplace Policy,       |
| 11. Taxes   | 54. Compliance with Laws              |
| 16. Insurance                                       | 56. Supervision of Minors             |
| 25. Proprietary or Confidential Information of City | 58. Protection of Private Information |
| 31. Assignment                                      | 59. Graffiti Removal                  |

(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 thereof from City to Contractor.

(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.

(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.

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

(5) **Special Fines.** If Contractor defaults under any of the Agreement terms specified below, Director may, at his sole and complete discretion, elect to impose the fines described below on the following basis:

| <u>Violation</u>   | <u>Section</u> | <u>Special Fine</u> |
|--|----------------|---------------------|
| Insufficient Employees to Staff All Duty Positions   | 13a            | \$250/Shift         |
| Failure to Provide Written Reports as Directed   | Appendix A     | \$300/Report/Day    |
| Soliciting on Behalf of a Ground Transportation Operator   | Appendix A     | \$300/Incident      |
| Steering Customers to a Specific Ground Transportation Operator for Personal Economic Reasons    | Appendix A     | \$300/Incident      |
| Employee Allowing Drivers to Solicit and/or Refusing To Covey Customers                          | Appendix A     | \$300/Incident      |
| Employee Not in Full Uniform (Including Radio and Employee Name and Photo Identification Badges) | 13a            | \$250/Incident      |
| Employee Having Too Many Vehicles in a Loading Zone  | Appendix A     | \$200/Incident      |

Director's right to impose the forgoing fines shall be in addition to and not in lieu of any and all rights hereunder, in the Airport Rules and Regulations, or at law or in equity.

## **22. Termination for Convenience**

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

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

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

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.

(3) Terminating all existing orders and subcontracts.

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

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

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

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

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

(1) The 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.

(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.

(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.

(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.

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

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

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

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

- |   |   |
|---|---|
| 9. Submitting False Claims                                      | 25. Proprietary or Confidential Information of City     |
| 10. Disallowance  | 27. Ownership of Results                                |
| 11. Taxes   | 28. Works for Hire                                      |
| 12. Payment Does Not Imply Acceptance of Work                   | 29. Audit and Inspection of Records                     |
| 14. Responsibility for Equipment                                | 49. Modification of Agreement                           |
| 15. Independent Contractor; Payment of Taxes and Other Expenses | 50. Administrative Remedy for Agreement Interpretation. |
| 16. Insurance   | 51. Agreement Made in California; Venue                 |
| 17. Indemnification   | 52. Construction  |
| 18. Incidental and Consequential Damages                        | 53. Entire Agreement                                    |
| 19. Liability of City   | 57. Severability  |
|   | 58. Protection of private information                   |

Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 3, 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.

**24. 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.

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

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

To City: Elizabeth Mingle,  
Senior Transportation Planner  
Landside Operations.  
SFIA  
PO Box 8097  
San Francisco, CA 94128-8097,  
E-Mail: Elizabeth.Mingle@flysfo.com,  
Fax: (650) 821-6508

To Contractor: D. Scott Hutchinson  
Senior Vice President  
FSP PPM, Management, LLC.  
515 South Flower Street, Suite 3200  
Los Angeles, CA 90071  
Email: SHutchinson@tlrgc.com  
Fax: (213) 784-3012

and

Sam Tadesse  
FSP PPM Management, LLC  
465 California Street, Suite 473  
San Francisco, CA 94104  
Email: [stadesse@pacificparkonline.com](mailto:stadesse@pacificparkonline.com)  
Fax: (415) 434-4455

Any notice of default must be sent by registered mail.

**27. Ownership of Results.** Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, written operational or other procedures, 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.

**28. 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.

**29. 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.

**30. 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. Contractor is solely responsible for all costs incurred to subcontractor(s) for goods or services obtained. At termination of Agreement, Contractor shall provide proof to City that all subcontractor accounts are paid-in-full before City will authorize payment of final regular contract invoice and any other outstanding invoices as of date of termination of Agreement.

In accordance with the FAA Regulations, 49 CFR 26.29, Contractor shall pay subcontractors for satisfactory performance of their contracts no later than 30 days from receipt of payment by City to Contractor.

Approved subcontracts for this contract are as follows:

- **VenTek Transit** shall provide maintenance functions required for their proprietary Add Value Machines (AVMs), including on-site and shop-based preventative maintenance, on-site as-needed corrective maintenance, and remote daily monitoring and diagnostic review.
- **Cubic Transportation Systems, Inc.** shall perform, to the best of its ability, corrective maintenance service for the existing SFO Taxicab Smart Card System, including fourteen (14) Contactless Interfaced Device Lynx (CID) devices that read the Taxi Driver Smart Cards, the Ticket Office Terminal (TOT), including VPN connections, and the system servers located at Raging Wire in Sacramento, California..

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

**32. 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.

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

**34. Federal Non-Discrimination Requirements**

Federal requirements for US Department of Transportation (USDOT) regulations, 49 CFR Part 23, are applicable to this Agreement. The regulations are incorporated as though fully set forth therein.

The Contractor agrees that it will not discriminate against any owner because of the owner's race, color, national origin, or sex in connection with the award or performance of this Agreement, including any subcontract, purchase or lease agreements, or other agreements covered by 49 CFR Part 23.

**35. Nondiscrimination; Penalties**

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

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

**c. Nondiscrimination in Benefits.** Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and

employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

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

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

**36. 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.

**37. 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.

**38. 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.

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

**40. 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.

**41. 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.

**42. 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.

**43. 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.

**44. Requiring Minimum Compensation for Covered Employees**

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

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

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

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

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

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

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

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

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

#### **45. Requiring Health Benefits for Covered Employees**

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time

to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at [www.sfgov.org/olse](http://www.sfgov.org/olse). Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **46. First Source Hiring Program**

##### **a. Incorporation of Administrative Code Provisions by Reference.**

The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

##### **b. First Source Hiring Agreement.**

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

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

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

3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry

level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

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

5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

6) Set the term of the requirements.

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

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

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

**c. Hiring Decisions**

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

**d. Exceptions**

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

**e. Liquidated Damages.**

Contractor agrees:

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

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

3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly



withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

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

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

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

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

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

6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

**f. Subcontracts.**

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

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

from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

**48. 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.

**49. 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

**50. 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.

**51. 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.

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

**53. 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."

**54. 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.

**55. 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.

**56. Supervision of Minors: Left Blank by Agreement of the Parties – Contract Does Not Involve Supervision of Minors.**

**57. 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.

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

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

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

**60. Food Service Waste Reduction Requirements.** Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this

Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

**61. Slavery Era Disclosure: Left Blank by Agreement of the Parties – Contract Not for Insurance or Applicable Financial Services or Textiles.**

**62. 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.

**63. Dispute Resolution Procedure: Left Blank by Agreement of the Parties – Contract Not with Health or Human Services Nonprofit.**

**64. 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.

**65. Labor Peace / Card Check Rule**

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

**66. Premises**

a. **Office Space.** Commission shall provide Contractor with two offices located in the Core B Connector between Terminal 1 and the Airport's Domestic Short Term Parking Garage. Furnishings, including facsimile machines, photocopiers, and computers, are the property of the City and shall be used

strictly for the management and staffing of the Airport's Curbside Management Program as set forth in this Agreement. The furnishings shall be maintained in good working order throughout the term of this Agreement by Contractor. Diagrams for said designated office spaces are attached hereto as Appendix C and incorporated herein by reference.

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

c. **Telecommunications and Broadband Internet Access.** Contractor shall be billed by the Airport for all landline-based telecommunications and broadband Internet access supplied to operate and manage the Curbside Management Program. Refer to Section 6.5(g) for maximum allowable annual reimbursable amounts under this Agreement. Under no circumstances shall toll and/or long distance charges be reimbursable expenses.

d. **Cellular Telephones and/or Pagers.** Unless approved in writing in advance, the purchase of cellular phones, pagers, or other wireless messaging services shall not be a reimbursable expense. If advanced written approval is obtained by City, reimbursement for said services shall be limited to a monthly maximum of \$50 per device.

#### **67. Use of Premises**

a. **Permitted Uses.** Contractor shall use the designated office space(s) on a non-exclusive basis to perform management and administrative tasks required to operate the Airport's Curbside Management Program. Other than the services listed above, the office space(s) shall be used for no other service without the express written consent of Director (including outside marketing activities by Contractor). In the event any question or dispute arises as to any specific service or category of services undertaken in the designated office space(s), Contractor may submit a request in writing to Director asking that the matter be reviewed. Director shall give a decision in writing and such determination shall be considered as final authority in the matter. Contractor shall abide by and conform to the decision of Director. Contractor shall not place or install any office equipment and/or furniture outside the boundaries of the premises without the express written consent of Director. Contractor may, with the consent of the Director, install and operate necessary and appropriate signs for the operation of the Curbside Management Program, subject to the approval of Director as to the number, size, height, location, color, and general type and design. Such approval shall be subject to revocation by Director at any time.

b. **Prohibited Uses.** The designated office space(s) shall not be used except for the purposes specified in Section 65a hereof. Contractor shall not do, or cause or permit anything to be done, in or about the premises, or bring or keep anything thereon which will increase in any way the rate of fire insurance on the Terminal Building Complex or any of its contents; or create a nuisance; or in any way obstruct or interfere with the rights of others in the Terminal Building Complex, or injure or annoy them; or commit or suffer to be committed any waste upon the premises; or use or allow said premises to be used, for any improper, immoral, unlawful or objectionable purposes; or place any loads upon the floor, walls, or ceiling which endanger the structure; or obstruct the sidewalk, passageways, stairways, or escalators in front of, within, or adjacent to the Terminal Building Complex; or do or permit to be done anything in any way tending to injure the reputation or appearance of said Terminal Building Complex. Contractor shall not display any advertising pamphlets, circulars, brochures, signs, or similar materials outside the designated office space(s) unless approved in writing by Director.

c. **Preservative-treated Wood Containing Arsenic.** As of July 1, 2003, Contractor may not purchase preservative-treated wood products in the performance of this Agreement unless an exemption from the requirements of Chapter 21G is obtained from the Department of the Environment under Section 21G.5 of the Administrative Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic 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.

## **68. Operations**

a. **Operations of the Premises.** Contractor understands and agrees that its operation under this Agreement is a service benefiting airline passengers, transportation providers, and the users of the Airport, and that Contractor shall conduct its operation in a first-class, businesslike, efficient, courteous and accommodating manner. Director shall have the right to make objections to the quality of materials, the character of the service rendered to the public, and the appearance and condition of the designated office space(s) or personnel. Contractor agrees to promptly discontinue or remedy any such objectionable practice. If Director is not satisfied with the performance of Contractor's agents for any reason, Director shall so notify Contractor in writing. In such event, the parties shall discuss the problem(s) and shall use their best efforts to resolve any problems with Contractor's agents. If, in Director's judgment, the problem has not been resolved within fourteen (14) business days after the parties have met, Director shall so notify Contractor in writing and Contractor shall replace agent(s) within thirty (30) days after receipt of such notice. Failure to comply with the foregoing shall constitute a material breach of this Agreement as specified in Section 22 of this Agreement.

b. **Representative of Contractor.** Contractor shall at all reasonable times retain in the Terminal Building Complex at least one representative from On-Site Management Staff, authorized to represent and act for it in matters pertaining to its operation, and shall keep Director informed in writing of the identity of each such person.

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

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

## **69. Worker Retention Policy**

Without limiting the generality of other provisions herein requiring Contractor to comply with all Airport Rules, Contractor shall comply with the Airport's Worker Retention Policy, adopted on June 19, 2001, pursuant to Airport Commission Resolution No. 01-0205 (the "Worker Retention Policy") as follows:

**Retention of Employees of Third Party Covered Employers When a Successor Contract is Awarded.**

When a Services Provider contract for parking garage, curbside management operations, the information booths, and/or services by third party service providers subject to the Airport's Quality Standards Program, not including airlines, has been terminated or has ended, any person continuously employed as a service employee of the contractor or subcontractor for six months or more for 16 or more hours per week and whose primary place of employment is at the San Francisco International Airport shall be retained in his/her employment at the Airport by the successor contractor or subcontractor for a 90-day trial employment period.

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

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

**Required Employee Information.**

Where a service contract subject to this regulation has been terminated or ended, or where a service contractor has given notice of such termination, the service contractor shall, within ten (10) days of giving or receiving notice of such termination, provide to the successor contractor and to the Airport Employment Center, the name, date of hire, and employment occupation classification of each such employee employed at the Airport covered by the prospective contractor at the time of contract termination. This requirement shall also apply to the subcontractors of the terminated contractor.

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

**Successor Contractor's Obligation to Retain the Employees of the Contractor Whose Services Contract Has Been Terminated or Has Ended.**

A successor contractor shall retain, for a 90-day trial employment period, the employees of the predecessor contractor, as defined above. During such trial period, a successor contractor or subcontractor, where applicable, shall evaluate each employee retained pursuant to this policy. If the employee's performance during such period is satisfactory, the successor contractor or subcontractor shall offer the employee continued employment under the terms and conditions established by the successor contractor or subcontractor or as required by the Airport's Quality Standards Program. If the employee's performance is determined to be unsatisfactory, in the opinion of the successor contractor or subcontractor, such employee may be released from employment and shall be referred to the Airport Employment Center.

If at any time a successor contractor determines that fewer employees are required to perform the new service contract than were required by the former contractor and/or subcontractor, if any, the successor contractor shall retain the predecessor contractor's employees by seniority within job classification. During the trial employment period, the successor contractor shall maintain a preferential

hiring list of eligible covered employees not retained by the successor contractor or subcontractor from which the successor contractor or subcontractor shall hire additional employees.

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

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

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

#### **70. Area Standard Rate**

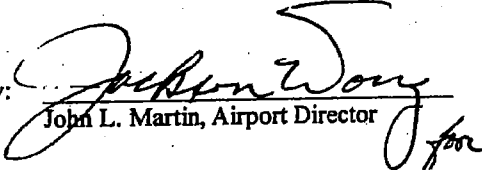
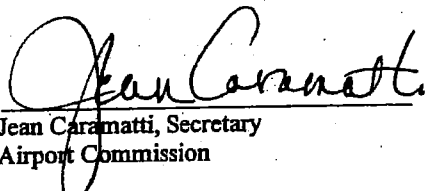
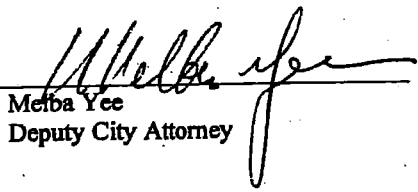

Contractor, at the commencement of this agreement, must compensate non-management personnel the area standard rate for similar services.

#### **71. Board of Supervisors Approval of Contract**

Section 9.118 of the Charter requires that the Board of Supervisors approve certain contracts. If this proposed contract is subject to such approval under section 9.118, then no award of this contract shall be final unless and until a resolution or ordinance of the Board of Supervisors approving the contract becomes effective. And consistent with Section 9.118, adoption of such a resolution or ordinance must remain in the sole and absolute discretion of the Board of Supervisors and Mayor. Accordingly, if this proposed contract is subject to such approval, once the parties reach agreement on the contract terms (following negotiations, if applicable, and following any appropriate approvals by City staff and the contractor), the City's sole commitment regarding the proposed contract is to submit it to the Board of Supervisors, with a recommendation by City staff for approval. Neither such recommendation or any other approval by City staff, including any City department, commission, officer or employee, shall indicate that the Board of Supervisors will approve the contract. Also, after making this submittal, City staff shall have no obligation to advocate for this proposed contract before the Board of Supervisors or Mayor or to renegotiate or revise any of its proposed terms. If the Board of Supervisors fails to approve the contract, City staff shall not be required to resubmit the contract for approval or take any other action and may terminate this contract opportunity.



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

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| <p><b>CITY</b><br/><b>AIRPORT COMMISSION</b><br/><b>CITY AND COUNTY OF</b><br/><b>SAN FRANCISCO</b></p> <p>By: <br/>John L. Martin, Airport Director</p> <p>Attest:</p> <p>By: <br/>Jean Caramatti, Secretary<br/>Airport Commission</p> <p>Resolution No: 10-0228</p> <p>Adopted on: July 6, 2010</p> <p>Approved as to Form:</p> <p>Dennis J. Herrera<br/>City Attorney</p> <p>By: <br/>Melba Yee<br/>Deputy City Attorney</p> | <p><b>CONTRACTOR</b></p> <p>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.</p> <p>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.</p> <p><br/>Authorized Signature<br/>D. Scott Hutchison</p> <p>Printed Name<br/>Senior Vice President</p> <p>Title<br/>FSP PPM Management, LLC.</p> <p>Company Name<br/>80706</p> <p>City Vendor Number<br/>515 South Flower Street, 3200</p> <p>Address<br/>Los Angeles, CA 90071</p> <p>City, State, ZIP<br/>(213) 784-3011</p> <p>Telephone Number<br/>27-3597718</p> <p>Federal Employer ID Number</p> |
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**Appendices**

- A: Services to be Provided by Contractor**
- B: Calculation of Charges**
- C: Diagram of Premises**
- D: Performance Standards**
- E: Shared Ride Van Curb Coordination Cost Allocation Summary**

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

**1. Description of Services**

Contractor agrees to perform the following services at San Francisco International Airport in accordance with the terms of its proposal dated March 19, 2010, attached hereto as Exhibit A, and incorporated by reference as though fully set forth herein.

Contractor agrees to perform the following services:

**A. Scope of Work**

Loading Zone Monitors – As directed by Director or his designee, Contractor will provide sufficient employees to staff and oversee the various limousine loading zones in the Airport's terminal curbs and center islands. If Director requests Contractor to provide monitors to staff any and all of the various limousine loading zones, Contractor shall provide monitors whose services may include but are not limited to the following: ensure operator compliance with the Airport's Rules and Regulations, monitor and document operator departure times, answer questions regarding the Airport's ground transportation services, and provide Airport staff with daily observation reports. Monitors may also, as directed by the Director or his designee, arrange ground transportation services for those with special needs (e.g., physically disabled, visually impaired, and the elderly) upon request. Total staffing hours shall be approved in writing by Director or his designee in advance and may include weekends and holidays. Contractor shall prepare written operational procedures for these monitors that must be approved by Director or his designee in writing on or before the first day of the contract term, and may be revised periodically as requested by Director or his designee as needs change. In the event of late or other circumstances as determined by Airport staff, monitors may be required to work on an overtime basis as needed.

Taxicab Dispatchers – Contractor will staff and manage the Airport's taxicab dispatching program on the Airport's arrivals level and inside the Airport's Domestic Short Term Parking Garage (Airport Garage). There are presently a total of six (6) zones/stations that must be staffed by Contractor's personnel: 2 at Terminal 1/Non-SF Taxicab, 1 at Terminal 3, 1 at the International Terminal, 1 in the Main Taxicab Holding Lot, 1, and in the 1<sup>st</sup> Taxicab Overflow Lot. There shall be a minimum of one (1) taxicab dispatcher in the 1<sup>st</sup> Taxicab Overflow Lot inside the Airport Garage and at each of the taxicab loading zones on the domestic terminals' lower level arrivals area from 7:00 a.m. to 1:00 a.m. daily including weekends and holidays. The Main Taxicab Holding Lot shall be staffed with a minimum of one (1) taxicab dispatcher from 8:00 a.m. to midnight daily including weekends and holidays. The taxicab loading zone fronting the International Terminal shall be staffed with a minimum of one (1) taxicab dispatcher from 8:00 a.m. to 1:00 a.m. daily including weekends and holidays. Between December 1 and March 30, a taxicab supervisor will be required to work one (1) additional hour during the early morning hours to facilitate taxicab dispatching and monitoring due to seasonal late flight arrivals. Taxicab dispatchers shall also arrange ground transportation services to those with special needs (e.g., physically disabled, visually impaired, and the elderly) upon request. In the event of late flights or other circumstances as determined by Airport staff, dispatchers may be required to work on an overtime basis as needed. Contractor shall prepare written operational procedures for taxicab dispatchers that must be approved by Director or his designee in writing on or before the first day of the contract term, and may be revised periodically as requested by Director or his designee as needs change. Contractor will be required to develop and implement improvements to the taxicab dispatching program upon the written request of Director or his designee.

Taxicab Smartcard-Based Revenue System Administrative Assistants – Contractor is responsible for the inputting and maintenance of the data required for the operation of the Airport's smartcard-based taxicab revenue control system. Duties include but are not limited to the inputting of taxicab driver data into the database, the issuance of new or replacement smartcards, the return of unused or returned smartcards, directing taxicab drivers to view the orientation video prerequisite to obtaining a smartcard, preparing Taxi System Claims for Refund for processing by Airport Commission staff, Distributing processed refunds to drivers as directed by Airport Commission staff, and the filing and maintenance of the collected taxicab driver taxi system information. These administrative assistants shall not work on timecards, payroll, invoices or any other tasks or activities that could be classified as overhead support. The costs of completing such overhead tasks shall not be reimbursed by City. A minimum of 2.0 FTE administrative assistants are required to provide support to Airport staff, Contractor's management staff, and taxicab drivers a minimum of eight (8) hours per day, including weekends and holidays with a minimum of 4 hours coverage during a weeknight from 6:00 p.m. to 10:00 p.m.

Shared Ride Van Curb Coordinators – Contractor will staff and manage all of the designated loading zones and any Airport holding lot used by the Airport's shared ride van operators. Currently, the shared ride van staging lot is located at Lot DD on the north side of East San Bruno Avenue. There are presently 9 zones that must be staffed by Contractor (3 at Terminal 1, 3 at Terminal 3, 2 at the International Terminal, and 1 at the Staging Lot). If the number of shared ride van loading zones is reduced due to consolidation or other changes, Director or his designee shall in writing require Contractor to reduce staffing accordingly. There shall be at least one (1) curb coordinator at all times from 8:00 a.m. to midnight daily, in each loading zone and the holding lot. The curb coordinators shall group passengers to similar destinations, dispatch vans, enforce rotation rules, report violations of either the group's operational procedures or the Airport's Rules and Regulations, and answer passenger questions. Shared ride van curb coordinators shall also arrange ground transportation services for those with special needs (e.g., physically disabled, visually impaired, and the elderly) upon request. Contractor shall prepare written operational procedures for shared ride van curb coordinators that must be approved in writing by Director or his designee on or before the first day of the contract term, and may be revised periodically as requested by Director or his designee as needs change. In the event of late flights or other circumstances as determined by Airport staff, employees may be required to work on an overtime basis as needed. Contractor will be required to develop and implement improvements to the shared ride van curb coordination program upon the written request of Director or his designee.

Security Guards – Contractor will staff and manage security guards at Courtyards #2 and #3 upon the opening of Terminal 2. There shall be at least one (1) security guard in each courtyard from 6:00 a.m. to midnight daily, including holidays and weekends. Their tasks include documenting all vehicles entering and exiting the courtyards, conduct random or regular visual inspections of all vehicles entering into the courtyards, and contacting the San Francisco Police Department – Airport Bureau if additional screening is required. Contractor shall prepare written operational procedures for Security Guards that must be approved in writing by Director or his designee at least one month prior to the re-opening of Terminal 2, and may be revised periodically as requested by Director or his designee as needs change.

Taxicab Cashiers – In the event of the failure of the Airport's smartcard-based taxicab revenue management system, Contractor will provide a minimum of four (4) cashiers within one (1) hour to collect trip fees from taxicab drivers. In the event of an extended failure, Contractor shall provide a minimum of four (4) cashiers from 7:00 a.m. to 1:00 a.m. daily, including weekends and holidays, until the system is operational with cashiers being able to stand or sit at their assigned cashier terminals for up to ten (10) hours per shift. Contractor shall prepare written operational procedures for Taxicab Cashiers that must be approved in writing by Director or his designee on or before the first day of the contract term, and may be revised periodically as requested by Director or his designee as needs change. In the

event of late flights or other circumstances as determined by Airport staff, employees may be required to work on an overtime basis as needed.

Contractor shall ensure that all its employees are thoroughly familiar with the Airport's Rules and Regulations pertaining to ground transportation operations. Employees are to promptly report infractions of the Airport's Rules and Regulations and procedures pertaining to any specific ground transportation operator to the Airport no later than the next business day after the infraction was observed. The report must indicate the date, time and location of the observed incident, as well as the company name, vehicle license plate number, fleet number, the passenger stage or transportation charter party certificate number issued by the California Public Utilities Commission on the vehicle, and a summary of what was observed. All employees shall be required to be familiar with and trained on emergency procedures and their responsibilities in the event of an emergency.

Services performed pursuant to this Agreement must be provided in a first-class and professional manner. All on-duty employees must be in immediate and constant radio contact with all other operating or supervisory personnel in their group. Contractor understands and acknowledges that if this contract is terminated for any reason, all City-supplied radio equipment, as well as all office and other equipment including that which City has reimbursed Contractor for such office and/or other equipment, shall be returned in operational condition.

Work tasks that Contractor must perform include but are not limited to the following:

- Hire a sufficient number of employees to fully staff all employee shifts on a daily basis including weekends and holidays.
- Provide trained staff who are articulate, courteous, accurate, and impartial.
- Conduct background investigations and have obtained Airport employee badges through the Airport's Security Access Office.
- Prepare, maintain, and update written procedures, as necessary, to manage the shared ride van and taxicab elements of the Curbside Management Program, as well as the limousine elements.
- Monitor, manage, maintain, and operate the SFO Smart Card Taxi Revenue System, (except for revenue service of the AVM Vaults).
- Provide visitors with accurate information regarding ground transportation and assist them in obtaining ground transportation services.
- Train and update personnel as required and necessary.
- Establish quality control procedures for dispatching and coordinating trips from the Airport, customer service and passenger assistance, and interaction with ground transportation operators.
- Respond to complaints from the public, Airport staff, or ground transportation operators in a timely manner.
- Insure that loading zones and staging lots are maintained in a clean condition and free of litter.
- Distribute Airport-provided postage-paid comment cards to passengers as directed by Airport staff.
- Provide Airport-approved uniforms, ensure employees receive the correct sized uniforms, keep uniform pieces in good repair, and replace uniforms when required.
- Provide name badges to personnel and establish standards for on-the-job appearance and behavior.
- Conduct an initial and periodic investigation of all employees to ensure that they do not have a financial, legal, or any other business/commercial interest in an SFO charter bus/van, shared ride van, limousine, scheduled airporter, or taxicab operators (including entities holding or having a business/commercial interest in San Francisco taxicab medallions).
- Maintain records for Airport review regarding number of persons served, type of service provided, and other information as requested.

- Provide well-qualified managers and supervisors to oversee personnel during all operating hours.
- Coordinate with Landside staff, Airport Duty Managers, Police and other Airport personnel as necessary.
- Provide information to air passengers in an emergency or during construction-related closures, detours, etc. as instructed and trained by Airport staff.
- Control the assigned loading zone in a manner so as to prevent drivers from soliciting and/or refusing to convey customers.
- Submit reports as required by the Airport Director and other City departments.

Contractor acknowledges and agrees that there is no guarantee of work by Airport as set forth in this Agreement. Director reserves the right at any time during the term of this Agreement upon written notice to Contractor to modify the scope of services, and/or to eliminate or transfer any part of the Contractor's services identified herein.

#### **B. As Needed Services**

From time to time, Curbside Management Program personnel are required to perform ancillary customer service functions on an as-needed basis. These functions include but are not necessarily limited to the following:

- Providing staff to assist with crowd control and to provide information on ground transportation and transfer connections in the event of emergencies.
- Providing staffing to accommodate unscheduled late night flight arrivals due to bad weather or other delays.
- Providing curbside passenger assistance in locating ground transportation services due to construction or other interruptions in normal service.

#### **C. Employees**

Contractor shall staff all employee shifts on a daily basis including weekends and holidays to perform the services required under this Agreement.

Work under this Agreement shall be performed only by competent personnel in the employment of Contractor. Contractor shall not be permitted to hire additional personnel above the limits set forth in the Annual Cost Proposal without the express written approval of Director or his designee. Prior to recruitment, Contractor shall submit written descriptions and qualifications for each job category for written approval by Director or his designee. Contractor will comply with City's reasonable requests regarding assignment of personnel, but all personnel must be supervised by Contractor.

All Contractor's employees are required to pass a background investigation conducted by the Airport's Security Access Office. Director or his designee may, upon written notice, require Contractor's employees to undergo additional background investigations that may be required by FAA, TSA, or other State and/or Federal agency. Director or his designee has the right to request Contractor to reassign or terminate any employee at any time for improper activities including but not limited to embezzlement, steering customers towards a specific ground transportation operator for personal economic gain or favors, soliciting on behalf of or showing favoritism to a ground transportation operator, or violating any of the Airport's Rules and Regulations.

#### **D. Employee Training and Disciplinary Procedures**

Contractor shall require all employees to undergo a training program within fifteen (15) days after the commencement of this Agreement for existing employees or fifteen (15) days after the hire date for new employees. Contractor shall prepare and provide Director or his designee with a written training guide for written approval within thirty (30) days after the execution of this Agreement. Training must include but is not limited to:

- Knowledge of the Airport's ground transportation services including fares and schedules, and the Airport's Rules and Regulations.
- Knowledge of the operating procedures for each transportation mode.
- Knowledge of the job tasks assigned to the individual, including working knowledge of the electronic and other equipment required to perform the job in a first-class manner.
- Knowledge of Airport-approved procedures in the event of problems.
- Knowledge of the Airport's passenger services available to customers and patrons.
- Detailed customer service training to provide first-class service to Airport patrons, ground transportation operators, and customers.
- Techniques to sensitively assist Airport patrons and customers requiring special transportation assistance.
- Knowledge of Airport emergency procedures.

The training program must also foster the development of a cohesive team in order to carry out Curbside Management Program services in a first-class, unbiased, and professional manner. Written employee handbooks, approved by the Director or his designee, will be issued to all Contractor's employees prior to the first day of employee training. Annual in-service training, approved in writing by Director or his designee shall be provided to all Contractor's employees with updated employee handbooks pre-approved by Director or his designee to be distributed at such in-service training classes.

If the employee fails to possess and exercise the basic levels of knowledge as specified in the Airport-approved written training guide, Contractor is required to retrain the employee solely at Contractor's expense.

Contractor shall provide Director or his designee with a written disciplinary policy within thirty (30) days after the execution of this Agreement detailing specific procedures for responding to employee misconduct including but not limited to soliciting on behalf of a particular ground transportation provider for personal or other gain, accepting monetary gifts or other equipment and/or services from an Airport ground transportation driver or operator, disobeying Airport policy as spelled out in the Airport's Rules and Regulations and subsequent notices, or failure to give unbiased information. This policy must be approved in writing by Director or his designee prior to implementation of the services described in this Agreement. Nothing in the policy shall supersede any rights City or Director retains herein.

#### **E. Employee Uniforms**

All Contractor's employees must be attired in a uniform approved by Director prior to the start of each work shift. Director shall have the right to change or modify the uniform at any time at City's expense with Contractor making such changes effective within thirty (30) days upon notice from Director.

The uniform shall include the Airport's photo identification badge and a separate Airport-approved name badge with the employee's first name and position, both of which must be displayed by all Contractor's employees at all times while on-duty.

All on-duty personnel must be equipped with an Airport-approved radio to communicate with other employees and supervisory personnel. The radio shall be considered an integral part of the uniform.

City has the right to require Contractor to immediately remove an employee from their post without pay if they are not in uniform or not presenting themselves in a professional manner towards Airport patrons and customers. In this event, Contractor is required to provide a suitable replacement within two (2) hours. Contractor shall not bill the Airport for the time the post is unstaffed.

#### **F. Reports**

Contractor shall submit written reports as requested by the Airport's Landside Operations department. Format for the content of such reports shall also be determined by the Airport's Landside Operations department. 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.

#### **G. Performance Standards**

Each quarter, Contractor must submit to Director a performance review based upon criteria approved by Director and as set forth in Appendix D. The performance review shall include quantitative and qualitative assessment of the overall Curbside Management Program in terms of its effect on passenger perception of Airport facilities and services as rated in the Airport's annual air passenger survey. The performance review will also consist of ratings of specific service quality, operational, contractual, and social objectives. Airport staff may annually conduct a separate performance review based upon criteria set forth in Appendix D. Contractor will be expected to provide the Airport with a written plan within fifteen (15) days of receiving evaluation results demonstrating how Contractor intends to improve unacceptable ratings in any category during the next reporting period. Contractor will be subject to the special fines specified in Section 21d of this Agreement for failure to meet certain performance measures.

The performance measures shown in Appendix D are separate and distinct from any HRC or other City, State or Federal requirements that may be required of the Contractor.

If it is discovered in an audit or investigation that Contractor has tampered with or otherwise altered the reporting of the performance standards set forth in Appendix D, Contractor shall be subject to special fines specified in Section 21d as if they failed to meet said performance goals. This action may also be considered breach of contract and subject to any remedies in law or equity including the termination of the Agreement at the sole discretion of Director.

The performance standards reports submitted by Contractor, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

#### **H. Paperless Shared Ride Van Passenger and Vehicle Database System**

Contractor shall provide a technology-based solution to replace the shared ride van coordinator van logs currently used at the terminals and the staging lot. Contractor shall provide a detailed proposal and quote for an independent Paperless Shared Ride Van Passenger and Vehicle Database System within thirty (30) days of the Agreement date, which proposal must include testing and acceptance procedures, as well as warranty coverage. Unless previously approved in writing by the Airport Director or designee, the final plans for the system shall be approved in writing by the Airport Director or designee within ninety (90)



days of the Agreement date, with activation of the system within one-hundred twenty (120) days. Once the system has been tested and accepted in writing by the Airport Director or designee, Contractor is to be reimbursed for the cost of the system in equal monthly installments through the end of the initial 30-month contract period. Upon acceptance of the system by City, City shall own the system. Maintenance costs for the system, including maintenance agreements, shall be separate annual budgeted item subject to City approval.

The paperless shared ride van passenger and vehicle database system to be provided by Contractor is to be operated with shared ride van curb coordinators utilizing battery-powered, weatherized, and ruggedized handheld terminals with user-switchable backlit displays and/or keypads so as to operate in the Bay Area's weather (including fog and rain) and survive a twenty-four (24) inch drop. The system should use off-the-shelf hardware and software as much as practical and be capable of identifying the date and time a specific shared ride van (van operator and vehicle fleet number) leaves the staging lot to the terminals, the date and time the van arrives and leaves at each of the terminal loading zones, and the number of passengers picked up at all of the loading zones.

The system must be able to piece together the trip data from the handheld units for a particular shared ride van from the initial departure from the staging lot, through the terminal loading zones, and departure from the Airport in order to accurately calculate the number of passengers being carried out of the Airport for each shared ride van trip. The system must also be capable of itemizing and/or summarizing this data for each shared ride van operator and each van on an hourly basis, daily basis, weekly basis, monthly basis, and annual basis, as well as an aggregating passenger and/or trip count for each shared ride van operator on a hourly basis, daily basis, weekly basis, monthly basis, and annual basis. The system must also provide for easy report customization, as well as allow for viewing and printing using a standard web browser (e.g., Microsoft Explorer, Firefox, Safari, Chrome) over the Internet.

The blade server operating the system must be capable of storing data internally for a minimum of twelve (12) months so as to allow City staff and authorized outside users to review the data and generate reports. The blade server must also provide backup archive capability to archive CD-ROM or DVD-ROM, as well as the ability to store the data to another server as identified by the City.

## **2. Reports**

Contractor shall submit written reports as requested by the Airport. Format for the content of such reports shall be determined by the Airport. 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.

## **3. Department Liaison**

In performing the services provided for in this Agreement, Contractor's liaison with the Airport will be Beth Mingle, Senior Transportation Planner, Landside Operations.

**Appendix B  
Calculation of Charges**

Contractor shall be paid an amount not to exceed that stated in the attached Annual Cost Proposal submitted by Contractor and approved by Director for the first year of this Agreement. Any changes to the Annual Cost Proposal require the written approval of Director or his designee.

Included as follows in Appendix B are the following:

- **Appendix B-1 / Cost Proposal Summary (Fiscal Years: January 1, 2011 – June 30, 2013)**
- **Appendix B-2 / Management Fee & Other Direct Cost Schedule Summary (Fiscal Years: January 1, 2011 – June 30, 2013)**
- **Appendix B-3 / Hourly Salary Ranges Summary (January 1, 2011 – June 30, 2013)**
- **Appendix B-4 / Cost Proposal – Shared Ride Van Curb Coordination (Fiscal Years: January 1, 2011 – June 30, 2013)**
- **Appendix B-5 / Early Start Date Period Cost Proposal**

**Appendix B-1 Cost Proposal Summary**  
**CURBSIDE MANAGEMENT PROGRAM-January 1, 2011 to June 30, 2011**

| Direct Labor Costs                    | Projected<br>Period Hours |   | Hourly Rates* |   | Period Costs     | Total Period<br>Costs |
|---------------------------------------|---------------------------|---|---------------|---|------------------|-----------------------|
| <u>Program Staff - Classification</u> |                           |   |               |   |                  |                       |
| 1. Curbside Managers                  | 3,128                     | x | \$24.50       | = | \$ 76,636        |                       |
| 2. Taxi Supervisors                   | 3,618                     | x | \$21.40       | = | \$ 77,425        |                       |
| 3. Limo/Van Supervisors               | 4,236                     | x | \$18.42       | = | \$ 78,027        |                       |
| 4. Taxi Dispatchers                   | 21,815                    | x | \$18.43       | = | \$ 402,050       |                       |
| 5. Van Coordinator                    | 0                         | x | \$14.80       | = | \$ -             |                       |
| 6. Limo Monitor                       | 1,580                     | x | \$14.80       | = | \$ 23,384        |                       |
| 7. Smartcard Administrative Asst.     | 2,088                     | x | \$19.98       | = | \$ 41,637        |                       |
| 8. Cashier Supervisor (30 Day Max.)   | 564                       | x | \$24.22       | = | \$ 13,660        |                       |
| 9. Taxi Cashiers (30 Day Max.)        | 2,264                     | x | \$20.90       | = | \$ 47,318        |                       |
| 10. Assistant General Manager         | 1,042                     | x | \$33.65       | = | \$ 35,063        |                       |
|                                       |                           |   |               |   | <b>Subtotal:</b> | <b>\$ 795,200</b>     |
| <b>Fringe Benefits</b>                |                           |   |               |   |                  |                       |
| <u>Payroll Taxes</u>                  |                           |   |               |   |                  |                       |
| FICA                                  |                           |   |               |   | \$ 64,659        |                       |
| FUTA                                  |                           |   |               |   | \$ 3,304         |                       |
| SUI                                   |                           |   |               |   | \$ 20,650        |                       |
| Health Insurance                      |                           |   |               |   | \$ 221,673       |                       |
| Disability Insurance                  |                           |   |               |   | \$ -             |                       |
| Life/Accident Insurance               |                           |   |               |   | \$ 5,020         |                       |
| Compensated Leave                     |                           |   |               |   | \$ 50,015        |                       |
| Pension                               |                           |   |               |   | \$ 45,448        |                       |
|                                       |                           |   |               |   | <b>Subtotal:</b> | <b>\$ 410,769</b>     |
| <b>Other Direct Costs</b>             |                           |   |               |   |                  |                       |
|                                       |                           |   |               |   | <b>Subtotal:</b> | <b>\$ 351,644</b>     |
| <b>Management Fee</b>                 |                           |   |               |   |                  |                       |
|                                       |                           |   |               |   | <b>Subtotal:</b> | <b>\$ 342,388</b>     |
| <b>TOTAL COST PROPOSAL:</b>           |                           |   |               |   |                  | <b>\$ 1,900,000</b>   |

\* Hourly rates are blended due to union labor agreements including seniority and overtime.

**Appendix B-1 Cost Proposal Summary**  
**CURBSIDE MANAGEMENT PROGRAM- July 1, 2011 to June 30, 2012**

| Direct Labor Costs                    | Projected<br>Period<br>Hours |   | Hourly<br>Rates* |   | Period Costs                  | Total Period<br>Costs |
|---------------------------------------|------------------------------|---|------------------|---|-------------------------------|-----------------------|
| <u>Program Staff - Classification</u> |                              |   |                  |   |                               |                       |
| 1. Curbside Managers                  | 6,256                        | x | \$24.50          | = | \$ 153,272                    |                       |
| 2. Taxi Supervisors                   | 7,164                        | x | \$21.40          | = | \$ 153,310                    |                       |
| 3. Limo/Van Supervisors               | 8,408                        | x | \$18.42          | = | \$ 154,875                    |                       |
| 4. Taxi Dispatchers                   | 46,075                       | x | \$18.43          | = | \$ 849,162                    |                       |
| 5. Van Coordinator                    | 0                            | x | \$14.80          | = | \$ -                          |                       |
| 6. Limo Monitor                       | 3,780                        | x | \$14.80          | = | \$ 55,944                     |                       |
| 7. Smartcard Administrative Asst.     | 4,172                        | x | \$19.96          | = | \$ 83,273                     |                       |
| 8. Cashier Supervisor (30 Day Max.)   | 564                          | x | \$24.22          | = | \$ 13,660                     |                       |
| 9. Taxi Cashiers (30 Day Max.)        | 2,264                        | x | \$20.90          | = | \$ 47,318                     |                       |
| 10. Assistant General Manager         | 2,084                        | x | \$33.65          | = | \$ 70,127                     |                       |
|                                       |                              |   |                  |   | <b>Subtotal: \$ 1,580,941</b> |                       |
| <b>Fringe Benefits</b>                |                              |   |                  |   |                               |                       |
| <u>Payroll Taxes</u>                  |                              |   |                  |   |                               |                       |
| FICA                                  |                              |   |                  |   | \$ 137,425                    |                       |
| FUTA                                  |                              |   |                  |   | \$ 3,304                      |                       |
| SUI                                   |                              |   |                  |   | \$ 20,650                     |                       |
| Health Insurance                      |                              |   |                  |   | \$ 434,875                    |                       |
| Disability Insurance                  |                              |   |                  |   | \$ -                          |                       |
| Life/Accident Insurance               |                              |   |                  |   | \$ 4,760                      |                       |
| Compensated Leave                     |                              |   |                  |   | \$ 215,476                    |                       |
| Pension                               |                              |   |                  |   | \$ 95,643                     |                       |
|                                       |                              |   |                  |   | <b>Subtotal: \$ 912,133</b>   |                       |
| <b>Other Direct Costs</b>             |                              |   |                  |   |                               |                       |
|                                       |                              |   |                  |   | <b>Subtotal: \$ 1,006,172</b> |                       |
| <b>Management Fee</b>                 |                              |   |                  |   |                               |                       |
|                                       |                              |   |                  |   | <b>Subtotal: \$ 725,754</b>   |                       |
| <b>TOTAL COST PROPOSAL:</b>           |                              |   |                  |   |                               | <b>\$ 4,225,000</b>   |

\* Hourly rates are blended due to union labor agreements including seniority and overtime.

**Appendix B-1 Cost Proposal Summary**

**CURBSIDE MANAGEMENT PROGRAM- July 1, 2012 to June 30, 2013**

| <b>Direct Labor Costs</b>             | <b>Projected<br/>Period<br/>Hours</b> |   | <b>Hourly<br/>Rates*</b> |   | <b>Period Costs</b> | <b>Total Period<br/>Costs</b> |
|---------------------------------------|---------------------------------------|---|--------------------------|---|---------------------|-------------------------------|
| <u>Program Staff - Classification</u> |                                       |   |                          |   |                     |                               |
| 1. Curbside Managers                  | 6,258                                 | x | \$24.50                  | = | \$ 153,272          |                               |
| 2. Taxi Supervisors                   | 7,164                                 | x | \$21.40                  | = | \$ 153,310          |                               |
| 3. Limo/Van Supervisors               | 8,408                                 | x | \$18.42                  | = | \$ 154,875          |                               |
| 4. Taxi Dispatchers                   | 48,075                                | x | \$18.43                  | = | \$ 849,162          |                               |
| 5. Van Coordinator                    | 0                                     | x | \$14.80                  | = | \$ -                |                               |
| 6. Limo Monitor                       | 3,780                                 | x | \$14.80                  | = | \$ 55,944           |                               |
| 7. Smartcard Administrative Asst.     | 4,172                                 | x | \$19.96                  | = | \$ 83,273           |                               |
| 8. Cashier Supervisor (30 Day Max.)   | 564                                   | x | \$24.22                  | = | \$ 13,660           |                               |
| 9. Taxi Cashiers (30 Day Max.)        | 2,264                                 | x | \$20.90                  | = | \$ 47,318           |                               |
| 10. Assistant General Manager         | 2,084                                 | x | \$33.65                  | = | \$ 70,127           |                               |
|                                       |                                       |   |                          |   | <b>Subtotal:</b>    | <b>\$ 1,580,941</b>           |
| <b>Fringe Benefits</b>                |                                       |   |                          |   |                     |                               |
| <u>Payroll Taxes</u>                  |                                       |   |                          |   |                     |                               |
| FICA                                  |                                       |   |                          |   | \$ 137,426          |                               |
| FUTA                                  |                                       |   |                          |   | \$ 3,304            |                               |
| SUI                                   |                                       |   |                          |   | \$ 20,650           |                               |
| Health Insurance                      |                                       |   |                          |   | \$ 448,543          |                               |
| Disability Insurance                  |                                       |   |                          |   | \$ -                |                               |
| Life/Accident Insurance               |                                       |   |                          |   | \$ 4,760            |                               |
| Compensated Leave                     |                                       |   |                          |   | \$ 215,476          |                               |
| Pension                               |                                       |   |                          |   | \$ 95,643           |                               |
|                                       |                                       |   |                          |   | <b>Subtotal:</b>    | <b>\$ 925,802</b>             |
| <b>Other Direct Costs</b>             |                                       |   |                          |   |                     |                               |
|                                       |                                       |   |                          |   | <b>Subtotal:</b>    | <b>\$ 1,078,763</b>           |
| <b>Management Fee</b>                 |                                       |   |                          |   |                     |                               |
|                                       |                                       |   |                          |   | <b>Subtotal:</b>    | <b>\$ 739,494</b>             |
| <b>TOTAL ANNUAL COST PROPOSAL:</b>    |                                       |   |                          |   |                     | <b>\$ 4,325,000</b>           |

\* Hourly rates are blended due to union labor agreements including seniority and overtime.

**Appendix B-2(a) Management Fee & Other Direct Cost Schedule Summary  
CURBSIDE MANAGEMENT PROGRAM- January 1, 2011 to June 30, 2011**

**Salaries- Curbside Management Program On-Site Management Staff**

1 General Manager \$ 47,500

Period Fee  
Componets

**Subtotal: \$ 47,500**

**Fringe Benefits- Curbside Management Program On-Site Management Staff**

Payroll Taxes

FICA \$ 3,634

FUTA \$ 112

SUI \$ 700

Health Insurance \$ 9,534

Disability Insurance \$ -

Life/Accident Insurance \$ 300

Compensated Leave \$ -

Pension \$ 1,425

**Subtotal: \$ 15,705**

**Premiums**

Required Insurance

Workers Compensation - Airport Funded \$ 58,354

Workers Compensation - Van Coordinators \$ 36,078

Commercial General Liability\* (includes Van) \$ 6,205

Business Auto Liability\* (includes Van) \$ 4,206

**Subtotal: \$ 104,843**

**Overhead & Profit**

Overhead & Profit- Van Operations \$ 53,542

Overhead & Profit- Airport Funded \$ 120,796

**Subtotal: \$ 174,338**

**TOTAL MANAGEMENT FEE: \$ 342,386**

**Appendix B-2(a) Management Fee & Other Direct Cost Schedule Summary  
CURBSIDE MANAGEMENT PROGRAM- July 1, 2011 to June 30, 2012**

**Salaries- Curbside Management Program On-Site Management Staff**

|                   |                  |
|-------------------|------------------|
| 1 General Manager | <u>\$ 95,000</u> |
|-------------------|------------------|

Period Fee  
Componets

**Subtotal: \$ 95,000**

**Fringe Benefits- Curbside Management Program On-Site Management Staff**

Payroll Taxes

|                         |                 |
|-------------------------|-----------------|
| FICA                    | <u>\$ 7,268</u> |
| FUTA                    | <u>\$ 112</u>   |
| SUI                     | <u>\$ 700</u>   |
| Health Insurance        | <u>\$ 9,534</u> |
| Disability Insurance    | <u>\$ -</u>     |
| Life/Accident Insurance | <u>\$ 300</u>   |
| Compensated Leave       | <u>\$ -</u>     |
| Pension                 | <u>\$ 2,850</u> |

**Subtotal: \$ 20,764**

**Premiums**

Required Insurance

|   |                   |
|---|-------------------|
| Workers Compensation - Airport Funded       | <u>\$ 124,087</u> |
| Workers Compensation - Van Coordinators     | <u>\$ 81,855</u>  |
| Commercial General Liability (includes Van) | <u>\$ 6,205</u>   |
| Business Auto Liability (includes Van)      | <u>\$ 4,206</u>   |

**Subtotal: \$ 216,353**

**Overhead & Profit**

|                                   |                   |
|-----------------------------------|-------------------|
| Overhead & Profit- Van Operations | <u>\$ 132,093</u> |
| Overhead & Profit- Airport Funded | <u>\$ 261,545</u> |

**Subtotal: \$ 393,638**

**TOTAL ANNUAL MANAGEMENT FEE: \$ 725,754**

**Appendix B-2(a) Management Fee & Other Direct Cost Schedule Summary  
CURBSIDE MANAGEMENT PROGRAM- July 1, 2012 to June 30, 2013**

**Salaries- Curbside Management Program On-Site Management Staff**

|                   |                  |                                   |
|-------------------|------------------|-----------------------------------|
|                   |                  | Period Fee<br>Componets           |
| 1 General Manager | <u>\$ 95,000</u> |                                   |
|                   |                  | <b>Subtotal: \$ <u>95,000</u></b> |

**Fringe Benefits- Curbside Management Program On-Site Management Staff**

Payroll Taxes

|                         |                 |                                   |
|-------------------------|-----------------|-----------------------------------|
| FICA                    | <u>\$ 7,268</u> |                                   |
| FUTA                    | <u>\$ 112</u>   |                                   |
| SUI                     | <u>\$ 700</u>   |                                   |
| Health Insurance        | <u>\$ 9,534</u> |                                   |
| Disability Insurance    | <u>\$ -</u>     |                                   |
| Life/Accident Insurance | <u>\$ 300</u>   |                                   |
| Compensated Leave       | <u>\$ -</u>     |                                   |
| Pension                 | <u>\$ 2,850</u> |                                   |
|                         |                 | <b>Subtotal: \$ <u>20,764</u></b> |

**Premiums**

Required Insurance

|   |                   |                                    |
|---|-------------------|------------------------------------|
| Workers Compensation - Airport Funded       | <u>\$ 124,087</u> |                                    |
| Workers Compensation - Van Coordinators     | <u>\$ 81,855</u>  |                                    |
| Commercial General Liability (includes Van) | <u>\$ 6,205</u>   |                                    |
| Business Auto Liability (includes Van)      | <u>\$ 4,206</u>   |                                    |
|   |                   | <b>Subtotal: \$ <u>216,353</u></b> |

**Overhead & Profit**

|                                   |                   |                                    |
|-----------------------------------|-------------------|------------------------------------|
| Overhead & Profit- Van Operations | <u>\$ 133,144</u> |                                    |
| Overhead & Profit- Airport Funded | <u>\$ 274,234</u> |                                    |
|                                   |                   | <b>Subtotal: \$ <u>407,377</u></b> |

**TOTAL ANNUAL MANAGEMENT FEE: \$ 739,494**



**Appendix B-2(b) Other Direct Cost Schedule Summary  
 CURBSIDE MANAGEMENT PROGRAM- January 1, 2011 to June 30, 2011**

**Other Direct Costs- Itemized List**

|   |                   |
|---|-------------------|
| Airport Photo Badges  | \$ 10,000         |
| Background investigations/ Airport ID Badges                        | \$ 10,000         |
| Broadband Internet Connection                                       | \$ 900            |
| Business Reply Postage Fees-Customer Feedback Cards                 | \$ 500            |
| Computer Software   | \$ -              |
| Fax Line  | \$ 200            |
| Materials & Supplies (Includes Computer Consumables)                | \$ 5,000          |
| Name Badges   | \$ 1,500          |
| Office Equipment  | \$ 1,000          |
| Postage   | \$ 400            |
| Radio Equipment and Service/Maintenance Agreement                   | \$ 5,000          |
| Recruitment (Excluding Management Staff)                            | \$ 1,500          |
| Telephone Equipment & Service                                       | \$ 2,700          |
| Telephone Voice Mail  | \$ 1,500          |
| Cellular phones (4)   | \$ 1,200          |
| Ticket/Form Printing (Excluding Letterhead/ Business Cards)         | \$ 25,000         |
| Uniform Purchase, Rental & Cleaning (Line & Supervisory Staff Only) | \$ 20,000         |
| Vehicle Leases  | \$ 3,000          |
| Vehicle Operating and Maintenance Costs (Except Insurance)          | \$ 2,500          |
| Service Incentive Program   | \$ 600            |
| Paperless Door-to-Door Van Passenger and Vehicle Database System    | \$ 96,122         |
| Professional Services for Customer Service Training                 | \$ 10,000         |
| Mystery Shopper Expenses  | \$ 7,500          |
| Cubic Contract  | \$ 30,000         |
| Ventek Contract   | \$ 15,000         |
| As Needed Services - Contingency                                    | \$ 100,523        |
| <b>TOTAL OTHER DIRECT COSTS:</b>                                    | <b>\$ 351,644</b> |

**Appendix B-2(b) Other Direct Cost Schedule Summary**  
**CURBSIDE MANAGEMENT PROGRAM- July 1, 2011 to June 30, 2012**

**Other Direct Costs- Itemized List**

|   |            |
|---|------------|
| Airport Photo Badges  | \$ 1,575   |
| Background investigations/ Airport ID Badges                        | \$ 1,575   |
| Broadband Internet Connection                                       | \$ 1,890   |
| Business Reply Postage Fees-Customer Feedback Cards                 | \$ 1,050   |
| Computer Software   | \$ -       |
| Fax Line  | \$ 420     |
| Materials & Supplies (Includes Computer Consumables)                | \$ 10,500  |
| Name Badges   | \$ 525     |
| Office Equipment  | \$ 1,050   |
| Postage   | \$ 840     |
| Radio Equipment and Service/Maintenance Agreement                   | \$ 5,250   |
| Recruitment (Excluding Management Staff)                            | \$ 1,575   |
| Telephone Equipment & Service                                       | \$ 5,670   |
| Telephone Voice Mail  | \$ 1,575   |
| Cellular Phones (4)   | \$ 2,520   |
| Ticket/Form Printing (Excluding Letterhead/ Business Cards)         | \$ 26,250  |
| Uniform Purchase, Rental & Cleaning (Line & Supervisory Staff Only) | \$ 31,500  |
| Vehicle Leases  | \$ 6,300   |
| Vehicle Operating and Maintenance Costs (Except Insurance)          | \$ 5,250   |
| Service Incentive Program   | \$ 1,260   |
| Paperless Door-to-Door Van Passenger and Vehicle Database System    | \$ 186,480 |
| Professional Services for Customer Service Training                 | \$ 10,500  |
| Mystery Shopper Expenses  | \$ 15,750  |
| Cubic Contract  | \$ 63,000  |
| Ventek Contract   | \$ 31,500  |
| As Needed Services - Contingency                                    | \$ 592,367 |

**TOTAL OTHER DIRECT COSTS: \$ 1,006,172**

**Appendix B-2(b) Other Direct Cost Schedule Summary  
CURBSIDE MANAGEMENT PROGRAM- July 1, 2012 to June 30, 2013**

**Other Direct Costs- Itemized List**

|   |            |
|---|------------|
| Airport Photo Badges  | \$ 1,650   |
| Background investigations/ Airport ID Badges                        | \$ 1,650   |
| Broadband Internet Connection                                       | \$ 1,980   |
| Business Reply Postage Fees-Customer Feedback Cards                 | \$ 1,100   |
| Computer Software   | \$ -       |
| Fax Line  | \$ 440     |
| Materials & Supplies (Includes Computer Consumables)                | \$ 11,000  |
| Name Badges   | \$ 550     |
| Office Equipment  | \$ 1,100   |
| Postage   | \$ 880     |
| Radio Equipment and Service/Maintenance Agreement                   | \$ 5,500   |
| Recruitment (Excluding Management Staff)                            | \$ 1,650   |
| Telephone Equipment & Service                                       | \$ 5,940   |
| Telephone Voice Mail  | \$ 1,650   |
| Cellular Phones (4)   | \$ 2,640   |
| Ticket/Form Printing (Excluding Letterhead/ Business Cards)         | \$ 27,500  |
| Uniform Purchase, Rental & Cleaning (Line & Supervisory Staff Only) | \$ 33,000  |
| Vehicle Leases  | \$ 6,600   |
| Vehicle Operating and Maintenance Costs (Except Insurance)          | \$ 5,500   |
| Service Incentive Program   | \$ 1,320   |
| Paperless Door-to-Door Van Passenger and Vehicle Database System    | \$ 195,360 |
| Professional Services for Customer Service Training                 | \$ 11,000  |
| Mystery Shopper Expenses  | \$ 16,500  |
| Cubic Contract  | \$ 66,000  |
| Ventek Contract   | \$ 33,000  |
| As Needed Services - Contingency                                    | \$ 645,253 |

**TOTAL OTHER DIRECT COSTS: \$ 1,078,763**

**Appendix B-3 Hourly Salary Ranges Summary  
 CURBSIDE MANAGEMENT PROGRAM- January 1, 2011 to June 30, 2011**

| <u>Management Position</u>            | <u>Rate</u>     | <u>Basis</u>  | <u>OT Status</u> |
|---------------------------------------|-----------------|---------------|------------------|
| <u>1. General Manager</u>             | <u>\$ 45.67</u> | <u>Salary</u> | <u>Exempt</u>    |
| <u>Staff Position</u>                 |                 |               |                  |
| 1. Assistant General Manager          | \$ 33.65        | Salary        | Exempt           |
| 2. Curbside Managers                  | \$ 24.50        | Salary        | Exempt           |
| 3. Taxi Supervisors                   | \$ 21.24        | Hourly        | Non-Exempt       |
| 4. Limo/Van Supervisors               | \$ 18.28        | Hourly        | Non-Exempt       |
| 5. Taxi Dispatchers                   | \$ 18.29        | Hourly        | Non-Exempt       |
| 6. Van Coordinator                    | \$ 14.69        | Hourly        | Non-Exempt       |
| 7. Limo Monitor                       | \$ 14.69        | Hourly        | Non-Exempt       |
| 8. Smartcard Administrative Asst.     | \$ 19.81        | Hourly        | Non-Exempt       |
| 9. Cashier Supervisor (30 Day Max.) ^ | \$ 24.04        | Hourly        | Non-Exempt       |
| 10. Taxi Cashiers (30 Day Max.)       | \$ 20.74        | Hourly        | Non-Exempt       |

**Notes:**

- (1) Rate for all hourly and non-exempt positions excludes overtime factors and subject to collective bargaining agreements. Rate includes factor for compensated leave.
  - (2) Rate listed is an average and can vary by seniority pursuant to collective bargaining agreements.
  - (3) For OT Status, Exempt - No Overtime Paid to Employee and OT - Eligible for Paid Overtime.
  - (4) Rates are for FY 10-11 and may change during the contract term and may be amended without a formal modification of the contract.
- ^ Cashier supervisor rate = Taxi Cashier + 15%

**Appendix B-4(a) Cost Proposal Summary - Shared Ride Van Curb Coordination  
CURBSIDE MANAGEMENT PROGRAM- January 1, 2011 to June 30, 2011**

| Direct Labor Cost Charged to Van Operators   | Projected Period Hours |   | Hourly Rates*   |   | Period Costs      | Total Period Costs          |
|--|------------------------|---|-----------------|---|-------------------|-----------------------------|
| <u>Program Staff- Classification</u>   |                        |   |                 |   |                   |                             |
| 1. Van Coordinator   | <u>35,504</u>          | x | <u>\$ 14.80</u> | = | <u>\$ 525,459</u> | <b>Subtotal: \$ 525,459</b> |
| <b>Fringe Benefits</b>   |                        |   |                 |   |                   |                             |
| <u>Payroll Taxes</u>   |                        |   |                 |   |                   |                             |
| FICA   |                        |   |                 |   | <u>\$ 42,396</u>  |                             |
| FUTA   |                        |   |                 |   | <u>\$ 988</u>     |                             |
| SUI  |                        |   |                 |   | <u>\$ 24,500</u>  |                             |
| Health Insurance   |                        |   |                 |   | <u>\$ 97,020</u>  |                             |
| Disability Insurance   |                        |   |                 |   | <u>\$ -</u>       |                             |
| Life/Accident Insurance  |                        |   |                 |   | <u>\$ -</u>       |                             |
| Compensated Leave  |                        |   |                 |   | <u>\$ 28,737</u>  |                             |
| Pension  |                        |   |                 |   | <u>\$ 17,809</u>  |                             |
|  |                        |   |                 |   |                   | <b>Subtotal: \$ 211,450</b> |
| <b>Other Direct Cost Charged to Van Operators</b>  |                        |   |                 |   |                   | <b>Subtotal: \$ 27,975</b>  |
| <b>Management Fee Charged to Van operators, Including Overhead &amp; Profit (Included in Airport-Funded ACP)</b> |                        |   |                 |   |                   | <b>Subtotal: \$ -</b>       |
| <b>Total Non-Airport Funded Proposal:</b>  |                        |   |                 |   |                   | <b>\$ 764,884</b>           |

\* Hourly rates are blended due to union labor agreements including seniority and overtime.

**Appendix B-4(a) Cost Proposal Summary - Shared Ride Van Curb Coordination  
CURBSIDE MANAGEMENT PROGRAM- July 1, 2011 to June 30, 2012**

| Direct Labor Cost Charged to Door-to-Door Van Operators  | Projected<br>Period<br>Hours |   | Hourly<br>Rates* |   | Period Costs        | Total Period Costs            |
|--|------------------------------|---|------------------|---|---------------------|-------------------------------|
| <b>Program Staff Classification</b>  |                              |   |                  |   |                     |                               |
| 1. Van Coordinator   | <u>75,910</u>                | x | <u>\$ 14.80</u>  | = | <u>\$ 1,123,468</u> | <b>Subtotal: \$ 1,123,468</b> |
| <b>Fringe Benefits</b>   |                              |   |                  |   |                     |                               |
| <b>Payroll Taxes</b>   |                              |   |                  |   |                     |                               |
| FICA   |                              |   |                  |   | <u>\$ 96,189</u>    |                               |
| FUTA   |                              |   |                  |   | <u>\$ 2,241</u>     |                               |
| SUI  |                              |   |                  |   | <u>\$ 24,500</u>    |                               |
| Health Insurance   |                              |   |                  |   | <u>\$ 402,301</u>   |                               |
| Disability Insurance   |                              |   |                  |   | <u>\$ -</u>         |                               |
| Life/Accident Insurance  |                              |   |                  |   | <u>\$ -</u>         |                               |
| Compensated Leave  |                              |   |                  |   | <u>\$ 133,908</u>   |                               |
| Pension  |                              |   |                  |   | <u>\$ 45,683</u>    |                               |
|  |                              |   |                  |   |                     | <b>Subtotal: \$ 704,820</b>   |
| Other Direct Cost Charged to Door-to Door Van Operators  |                              |   |                  |   |                     | <b>Subtotal: \$ 58,748</b>    |
| Management Fee Charged to Door to Door Van operators, Including Overhead & Profit (Included in Airport-Funded ACP) |                              |   |                  |   |                     | <b>Subtotal: \$ -</b>         |
| <b>Total Non-Airport Funded Proposal:</b>  |                              |   |                  |   |                     | <b>\$ 1,887,036</b>           |

\* Hourly rates are blended due to union labor agreements including seniority and overtime.

**Appendix B-4(a) Cost Proposal Summary - Shared Ride Van Curb Coordination  
CURBSIDE MANAGEMENT PROGRAM- July 1, 2012 to June 30, 2013**

| Direct Labor Cost Charged to Door-to-Door Van Operators  | Projected<br>Period<br>Hours |   | Hourly<br>Rates* |   | Period Costs        | Total Period<br>Costs         |
|--|------------------------------|---|------------------|---|---------------------|-------------------------------|
| <u>Program Staff- Classification</u>   |                              |   |                  |   |                     |                               |
| 1. Van Coordinator   | <u>75,910</u>                | x | <u>\$ 14.80</u>  | = | <u>\$ 1,123,468</u> | <b>Subtotal: \$ 1,123,468</b> |
| <u>Fringe Benefits</u>   |                              |   |                  |   |                     |                               |
| <u>Payroll Taxes</u>   |                              |   |                  |   |                     |                               |
| FICA   |                              |   |                  |   | <u>\$ 96,189</u>    |                               |
| FUTA   |                              |   |                  |   | <u>\$ 2,241</u>     |                               |
| SUI  |                              |   |                  |   | <u>\$ 24,500</u>    |                               |
| Health Insurance   |                              |   |                  |   | <u>\$ 414,524</u>   |                               |
| Disability Insurance   |                              |   |                  |   | <u>\$ -</u>         |                               |
| Life/Accident Insurance  |                              |   |                  |   | <u>\$ -</u>         |                               |
| Compensated Leave  |                              |   |                  |   | <u>\$ 133,906</u>   |                               |
| Pension  |                              |   |                  |   | <u>\$ 45,883</u>    |                               |
|  |                              |   |                  |   |                     | <b>Subtotal: \$ 717,043</b>   |
| Other Direct Cost Charged to Door-to Door Van Operators  |                              |   |                  |   |                     | <b>Subtotal: \$ 61,545</b>    |
| Management Fee Charged to Door to Door Van operators, including Overhead & Profit (Included in Airport-Funded ACP) |                              |   |                  |   |                     | <b>Subtotal: \$ -</b>         |
| <b>Total Non-Airport Funded Proposal:</b>  |                              |   |                  |   |                     | <b>\$ 1,902,056</b>           |

\* Hourly rates are blended due to union labor agreements including seniority and overtime.

**Appendix B-4(b) Cost Proposal Summary - Shared Ride Van Curb Coordination  
 CURBSIDE MANAGEMENT PROGRAM- January 1, 2011 to June 30, 2011**

|                              |      | <b>Period<br/>Fee<br/>Components</b> |
|------------------------------|------|--------------------------------------|
| <b>Premiums</b>              |      |                                      |
| <u>Required Insurance</u>    |      |                                      |
| Workers Compensation         | \$ - |                                      |
| Commercial General Liability | \$ - |                                      |
| Business Auto Liability      | \$ - |                                      |
|                              |      | <b>Subtotal: \$ -</b>                |
| <b>Overhead &amp; Profit</b> |      | <b>Subtotal: \$ -</b>                |
|                              |      | <b>TOTAL - VANS: \$ -</b>            |



**Appendix B-4(b) Cost Proposal Summary - Shared Ride Van Curb Coordination  
CURBSIDE MANAGEMENT PROGRAM- July 1, 2011 to June 30, 2012**

|                              |      | <b>Period<br/>Fee<br/>Components</b> |
|------------------------------|------|--------------------------------------|
| <b>Premiums</b>              |      |                                      |
| <u>Required Insurance</u>    |      |                                      |
| Workers Compensation         | \$ - |                                      |
| Commercial General Liability | \$ - |                                      |
| Business Auto Liability      | \$ - |                                      |
|                              |      | <b>Subtotal: \$ -</b>                |
| <b>Overhead &amp; Profit</b> |      | <b>Subtotal: \$ -</b>                |
|                              |      | <b>TOTAL - VANS: \$ -</b>            |

**Appendix B-4(b) Cost Proposal Summary - Shared Ride Van Curb Coordination  
 CURBSIDE MANAGEMENT PROGRAM- July 1, 2012 to June 30, 2013**

|                              |      | <b>Period<br/>Fee<br/>Components</b> |
|------------------------------|------|--------------------------------------|
| <b>Premiums</b>              |      |                                      |
| <u>Required Insurance</u>    |      |                                      |
| Workers Compensation         | \$ - |                                      |
| Commercial General Liability | \$ - |                                      |
| Business Auto Liability      | \$ - |                                      |
|                              |      | <b>Subtotal: \$ -</b>                |
| <b>Overhead &amp; Profit</b> |      | <b>Subtotal: \$ -</b>                |
|                              |      | <b>TOTAL - VANS: \$ -</b>            |

**Appendix B-4(c) Cost Proposal Summary - Shared Ride Van Curb Coordination  
CURBSIDE MANAGEMENT PROGRAM- January 1, 2011 to June 30, 2011**

| <u>Other Direct Costs- Itemized List</u>   | <u>Period Fee<br/>Components</u> |
|--|----------------------------------|
| New Hire Training                          | \$ 2,300                         |
| Professional Development and Training      | \$ 2,500                         |
| Service Incentive Program                  | \$ 300                           |
| Drug Test, Background Checks and Physicals | \$ 1,000                         |
| SFO ID Badges                              | \$ 625                           |
| Name Badges                                | \$ 250                           |
| Uniform Purchase/Rental/Cleaning           | \$ 11,000                        |
| As Needed Services (Contingency)           | \$ 10,000                        |
| <b>TOTAL OTHER DIRECT COSTS:</b>           | <b>\$ 27,975</b>                 |

**Appendix B-4(c) Cost Proposal Summary - Shared Ride Van Curb Coordination  
CURBSIDE MANAGEMENT PROGRAM- July 1, 2011 to June 30, 2012**

| <b><u>Other Direct Costs- Itemized List</u></b> | <b><u>Period Fee<br/>Components</u></b> |
|---|---|
| New Hire Training                               | \$ 4,830.00                             |
| Professional Development and Training           | \$ 5,250.00                             |
| Service Incentive Program                       | \$ 630.00                               |
| Drug Test, Background Checks and Physicals      | \$ 2,100.00                             |
| SFO ID Badges                                   | \$ 1,312.50                             |
| Name Badges                                     | \$ 525.00                               |
| Uniform Purchase/Rental/Cleaning                | \$ 23,100.00                            |
| As Needed Services (Contingency)                | \$ 21,000                               |
| <b>TOTAL OTHER DIRECT COSTS:</b>                | <b>\$ 58,748</b>                        |

**Appendix B-4(c) Cost Proposal Summary - Shared Ride Van Curb Coordination  
CURBSIDE MANAGEMENT PROGRAM- July 1, 2012 to June 30, 2013**

| <b><u>Other Direct Costs- Itemized List</u></b> | <b><u>Period Fee<br/>Components</u></b> |
|---|---|
| New Hire Training                               | \$ 5,060.00                             |
| Professional Development and Training           | \$ 5,500.00                             |
| Service Incentive Program                       | \$ 660.00                               |
| Drug Test, Background Checks and Physicals      | \$ 2,200.00                             |
| SFO ID Badges                                   | \$ 1,375.00                             |
| Name Badges                                     | \$ 550.00                               |
| Uniform Purchase/Rental/Cleaning                | \$ 24,200.00                            |
| As Needed Services (Contingency)                | \$ 22,000                               |
| <b>TOTAL OTHER DIRECT COSTS:</b>                | <b>\$ 61,545</b>                        |

**Appendix B-5(a) Early Start Date Cost Proposal Summary**  
**CURBSIDE MANAGEMENT PROGRAM- Avg. Monthly Costs Prior to January 1, 2011**

| Direct Labor Costs                    | Projected<br>Period Hours |   | Hourly Rates* | = | Period Costs                       | = | Total Period<br>Costs |
|---------------------------------------|---------------------------|---|---------------|---|------------------------------------|---|-----------------------|
| <b>Program Staff - Classification</b> |                           |   |               |   |                                    |   |                       |
| 1. Curbside Managers                  | 521                       | x | \$24.50       | = | \$ 12,773                          |   |                       |
| 2. Taxi Supervisors                   | 603                       | x | \$21.40       | = | \$ 12,904                          |   |                       |
| 3. Limo/Van Supervisors               | 708                       | x | \$18.42       | = | \$ 13,005                          |   |                       |
| 4. Taxi Dispatchers                   | 3,636                     | x | \$18.43       | = | \$ 67,008                          |   |                       |
| 5. Van Coordinator                    | 0                         | x | \$14.80       | = | \$ -                               |   |                       |
| 6. Limo Monitor                       | 263                       | x | \$14.80       | = | \$ 3,897                           |   |                       |
| 7. Smartcard Administrative Asst.     | 348                       | x | \$19.96       | = | \$ 6,939                           |   |                       |
| 8. Cashier Supervisor (30 Day Max.)   | 564                       | x | \$24.22       | = | \$ 13,680                          |   |                       |
| 9. Taxi Cashiers (30 Day Max.)        | 2,264                     | x | \$20.90       | = | \$ 47,318                          |   |                       |
| 10. Assistant General Manager         | 174                       | x | \$33.65       | = | \$ 5,844                           |   |                       |
|                                       |                           |   |               |   | <b>Subtotal</b>                    |   | <b>\$ 183,348</b>     |
| <b>Fringe Benefits</b>                |                           |   |               |   |                                    |   |                       |
| <b>Payroll Taxes</b>                  |                           |   |               |   |                                    |   |                       |
|                                       |                           |   |               |   | \$ 14,664                          |   |                       |
|                                       |                           |   |               |   | \$ 551                             |   |                       |
|                                       |                           |   |               |   | \$ 3,442                           |   |                       |
|                                       |                           |   |               |   | \$ 36,946                          |   |                       |
| Health Insurance                      |                           |   |               |   | \$ -                               |   |                       |
| Disability Insurance                  |                           |   |               |   | \$ 837                             |   |                       |
| Life/Accident Insurance               |                           |   |               |   | \$ 8,338                           |   |                       |
| Compensated Leave                     |                           |   |               |   | \$ 7,575                           |   |                       |
| Pension                               |                           |   |               |   |                                    |   |                       |
|                                       |                           |   |               |   | <b>Subtotal:</b>                   |   | <b>\$ 72,349</b>      |
| <b>Other Direct Costs</b>             |                           |   |               |   | <b>Subtotal:</b>                   |   | <b>\$ 58,607</b>      |
| <b>Management Fee</b>                 |                           |   |               |   | <b>Subtotal:</b>                   |   | <b>\$ 57,064</b>      |
|                                       |                           |   |               |   | <b>Total Period Cost Proposal:</b> |   | <b>\$ 371,369</b>     |

**Notes:**

Costs will be prorated if contract begins at a time other than the 1st of a month

\* Hourly rates are blended due to union labor agreements including seniority and overtime.

^ Assumes that Taxi System will require manual cashing in an average month during the Early Start Date Period.

**Appendix B-5(b) Management Fee & Other Direct Cost Schedule Summary  
CURBSIDE MANAGEMENT PROGRAM- Avg Monthly Cost prior to January 1, 2011**

**Salaries- Curbside Management Program On-Site Management Staff**

|                   |  |    |              |
|-------------------|--|----|--------------|
| 1 General Manager |  | \$ | <u>7,917</u> |
|-------------------|--|----|--------------|

Period Fee  
Componets

Subtotal: \$ 7,917

**Fringe Benefits- Curbside Management Program On-Site Management Staff**

Payroll Taxes

|                         |  |    |              |
|-------------------------|--|----|--------------|
| FICA                    |  | \$ | <u>606</u>   |
| FUTA                    |  | \$ | <u>19</u>    |
| SUI                     |  | \$ | <u>117</u>   |
| Health Insurance        |  | \$ | <u>1,589</u> |
| Disability Insurance    |  | \$ | <u>-</u>     |
| Life/Accident Insurance |  | \$ | <u>50</u>    |
| Compensated Leave       |  | \$ | <u>-</u>     |
| Pension                 |  | \$ | <u>238</u>   |

Subtotal: \$ 2,617

**Premiums**

Required Insurance

|  |  |    |              |
|--|--|----|--------------|
| Workers Compensation - Airport Funded        |  | \$ | <u>9,726</u> |
| Workers Compensation - Van Coordinators      |  | \$ | <u>6,013</u> |
| Commercial General Liability* (includes Van) |  | \$ | <u>1,034</u> |
| Business Auto Liability* (includes Van)      |  | \$ | <u>701</u>   |

Subtotal: \$ 17,474

**Overhead & Profit \***

|                                   |  |    |               |
|-----------------------------------|--|----|---------------|
| Overhead & Profit- Van Operations |  | \$ | <u>8,924</u>  |
| Overhead & Profit- Airport Funded |  | \$ | <u>20,133</u> |

Subtotal: \$ 29,056

**TOTAL MANAGEMENT FEE: \$ 57,064**

Notes:

Costs will be prorated if contract begins at a time other than the 1st of a month

\* Overhead and Profit are 1/6th of the Overhead and Profit from the FY 10-11 ACP.

**Appendix B-5(c) Other Direct Cost Schedule Summary  
CURBSIDE MANAGEMENT PROGRAM- Average Monthly Costs prior to January 1, 2011**

**Other Direct Costs- Itemized List**

|   |                  |
|---|------------------|
| Airport Photo Badges  | \$ 1,667         |
| Background investigations/ Airport ID Badges                        | \$ 1,667         |
| Broadband Internet Connection                                       | \$ 150           |
| Business Reply Postage Fees-Customer Feedback Cards                 | \$ 83            |
| Computer Software   | \$ -             |
| Fax Line  | \$ 33            |
| Materials & Supplies (Includes Computer Consumables)                | \$ 833           |
| Name Badges   | \$ 250           |
| Office Equipment  | \$ 167           |
| Postage   | \$ 67            |
| Radio Equipment and Service/Maintenance Agreement                   | \$ 833           |
| Recruitment (Excluding Management Staff)                            | \$ 250           |
| Telephone Equipment & Service                                       | \$ 450           |
| Telephone Voice Mail  | \$ 250           |
| Cellular phones (4)   | \$ 200           |
| Ticket/Form Printing (Excluding Letterhead/ Business Cards)         | \$ 4,167         |
| Uniform Purchase, Rental & Cleaning (Line & Supervisory Staff Only) | \$ 3,333         |
| Vehicle Leases  | \$ 500           |
| Vehicle Operating and Maintenance Costs (Except Insurance)          | \$ 417           |
| Service Incentive Program   | \$ 100           |
| Paperless Door-to-Door Van Passenger and Vehicle Database System    | \$ 16,020        |
| Professional Services for Customer Service Training                 | \$ 1,667         |
| Mystery Shopper Expenses  | \$ 1,250         |
| Cubic Contract  | \$ 5,000         |
| Ventek Contract   | \$ 2,500         |
| As Needed Services - Contingency                                    | \$ 16,754        |
| <b>TOTAL OTHER DIRECT COSTS:</b>                                    | <b>\$ 58,607</b> |

**Notes:**

Costs indicated will be prorated if contract begins at a time other than the 1st of a month  
Contract start-up may require expenditure of more than average monthly cost indicated. All such costs must be approved by  
Airport Director or Designee prior to expenditure.



**Appendix B-5(d) Hourly Salary Ranges Summary  
CURBSIDE MANAGEMENT PROGRAM- Prior to January 1, 2011**

| <u>Management Position</u>            | <u>Rate</u>     | <u>Basis</u>  | <u>OT Status</u> |
|---------------------------------------|-----------------|---------------|------------------|
| <u>1. General Manager</u>             | <u>\$ 45.67</u> | <u>Salary</u> | <u>Exempt</u>    |
| <u>Staff Position</u>                 |                 |               |                  |
| 1. Assistant General Manager          | \$ 33.65        | Salary        | Exempt           |
| 2. Curbside Managers                  | \$ 24.50        | Salary        | Exempt           |
| 3. Taxi Supervisors                   | \$ 21.24        | Hourly        | Non-Exempt       |
| 4. Limo/Van Supervisors               | \$ 18.28        | Hourly        | Non-Exempt       |
| 5. Taxi Dispatchers                   | \$ 18.29        | Hourly        | Non-Exempt       |
| 6. Van Coordinator                    | \$ 14.69        | Hourly        | Non-Exempt       |
| 7. Limo Monitor                       | \$ 14.69        | Hourly        | Non-Exempt       |
| 8. Smartcard Administrative Asst.     | \$ 19.81        | Hourly        | Non-Exempt       |
| 9. Cashier Supervisor (30 Day Max.) ^ | \$ 24.04        | Hourly        | Non-Exempt       |
| 10. Taxi Cashiers (30 Day Max.)       | \$ 20.74        | Hourly        | Non-Exempt       |

**Notes:**

- (1) Rate for all hourly and non-exempt positions excludes overtime factors and subject to collective bargaining agreements. Rate includes factor for compensated leave.
  - (2) Rate listed is an average and can vary by seniority pursuant to collective bargaining agreements.
  - (3) For OT Status, Exempt - No Overtime Paid to Employee and OT - Eligible for Paid Overtime.
  - (4) Rates are for FY 10-11 and may change during the contract term and may be amended without a formal modification of the contract.
- ^ Cashier supervisor rate = Taxi Cashier + 15%

**Appendix B-5(e) Cost Proposal Summary - Shared Ride Van Curb Coordination Summary  
CURBSIDE MANAGEMENT PROGRAM- Average Monthly Cost Prior to January 1, 2011**

| Direct Labor Cost Charged to Van Operators  | Projected Period Hours |   | Hourly Rates*   |   | Period Costs     | Total Period Costs         |
|---|------------------------|---|-----------------|---|------------------|----------------------------|
| <u>Program Staff- Classification</u>  |                        |   |                 |   |                  |                            |
| 1. Van Coordinator  | <u>5,917</u>           | x | <u>\$ 14.80</u> | = | <u>\$ 87,577</u> | Subtotal: <u>\$ 87,577</u> |
| <b>Fringe Benefits</b>  |                        |   |                 |   |                  |                            |
| <u>Payroll Taxes</u>  |                        |   |                 |   |                  |                            |
| FICA  |                        |   |                 |   | <u>\$ 7,066</u>  |                            |
| FUTA  |                        |   |                 |   | <u>\$ 27</u>     |                            |
| SUI   |                        |   |                 |   | <u>\$ 4,083</u>  |                            |
| Health Insurance  |                        |   |                 |   | <u>\$ 16,170</u> |                            |
| Disability Insurance  |                        |   |                 |   | <u>\$ -</u>      |                            |
| Life/Accident Insurance   |                        |   |                 |   | <u>\$ -</u>      |                            |
| Compensated Leave   |                        |   |                 |   | <u>\$ 4,790</u>  |                            |
| Pension   |                        |   |                 |   | <u>\$ 2,988</u>  |                            |
|   |                        |   |                 |   |                  | Subtotal: <u>\$ 35,104</u> |
| Other Direct Cost Charged to Van Operators  |                        |   |                 |   |                  | Subtotal: <u>\$ 4,799</u>  |
| Management Fee Charged to Van operators, Including Overhead & Profit (Included in Airport-Funded ACP) |                        |   |                 |   |                  | Subtotal: <u>\$ -</u>      |
| <b>Total Non-Airport Funded Proposal:</b>   |                        |   |                 |   |                  | <b><u>\$ 127,480</u></b>   |

**Notes:**

\* Hourly rates are blended due to union labor agreements including seniority and overtime.

**Appendix B-5(f) Cost Proposal Summary - Shared Ride Van Curb Coordination  
CURBSIDE MANAGEMENT PROGRAM- Prior to January 1, 2011.**

|                              |    |                      | <b>Period<br/>Fee<br/>Components</b> |
|------------------------------|----|----------------------|--------------------------------------|
| <b>Premiums</b>              |    |                      |                                      |
| <u>Required Insurance</u>    |    |                      |                                      |
| Workers Compensation         | \$ | -                    |                                      |
| Commercial General Liability | \$ | -                    |                                      |
| Business Auto Liability      | \$ | -                    |                                      |
|                              |    | <b>Subtotal:</b>     | \$ -                                 |
| <b>Overhead &amp; Profit</b> |    | <b>Subtotal:</b>     | \$ -                                 |
|                              |    | <b>TOTAL - VANS:</b> | \$ <input type="text" value=""/> -   |

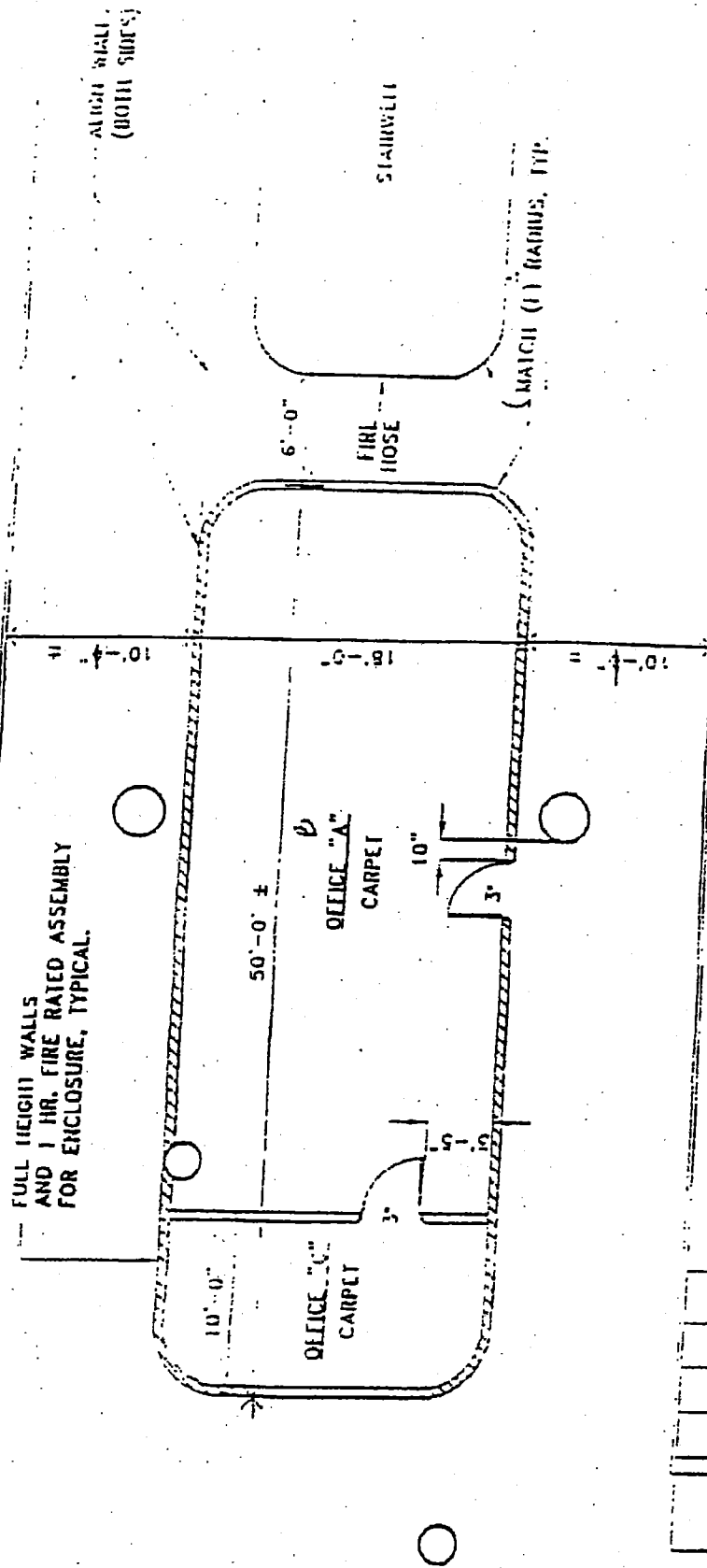
**Appendix B-5(g) Cost Proposal Summary - Shared Ride Van Curb Coordination  
CURBSIDE MANAGEMENT PROGRAM- Average Monthly Cost Prior to January 1, 2011**

| <b><u>Other Direct Costs- Itemized List</u></b> | <b>Period Fee<br/>Components</b> |
|---|----------------------------------|
| New Hire Training                               | \$ 383                           |
| Professional Development and Training           | \$ 417                           |
| Service Incentive Program                       | \$ 50                            |
| Drug Test, Background Checks and Physicals      | \$ 167                           |
| SFO ID Badges                                   | \$ 104                           |
| Name Badges                                     | \$ 42                            |
| Uniform Purchase/Rental/Cleaning                | \$ 1,833                         |
| As Needed Services (Contingency)                | \$ 1,803                         |
| <b>TOTAL OTHER DIRECT COSTS:</b>                | <b>\$ 4,799</b>                  |

**Notes:**

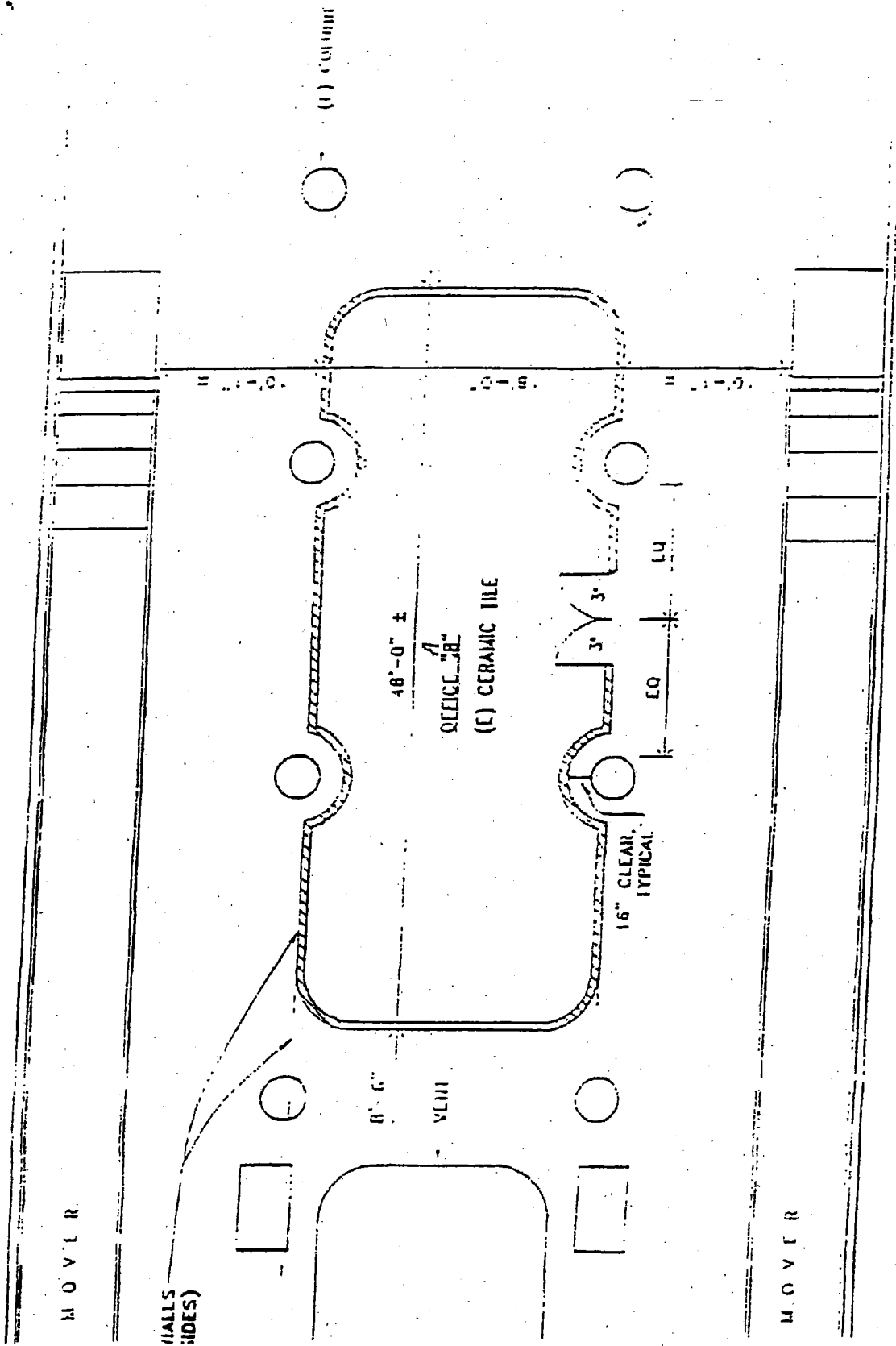
Contract start-up may require expenditure of more than average monthly cost indicated. All such costs must be approved by Airport Director or Designee prior to expenditure.

Appendix C  
 Diagram of Premises  
 Curbside Management Program Offices



FLOOR PLAN

FLOOR PLAN



**APPENDIX D  
PERFORMANCE MEASURES**

The following standards will be among those used by Director to evaluate the performance of the Airport's Curbside Management Program at San Francisco International Airport commencing with the new agreement effective January 1, 2011. Note that additional performance standards may be placed on the Contractor by Director as set forth in any future contract modifications.

The overall goal for the Contractor is to score an overall average of 3.0 out of 5.0.

1. Contractor will strive to run an operation that has zero lost time injuries in FY 10/11 utilizing the OSHA Form 300.

|                                 |   |
|---------------------------------|---|
| <i>5 Points (Excellent)</i>     | <i>0 Lost Time Injuries in FY 10/11</i> |
| <i>4 Points (Above Average)</i> | <i>1 Lost Time Injury in FY 10/11</i>   |
| <i>3 Points (Average)</i>       | <i>2 Lost Time Injuries in FY 10/11</i> |
| <i>2 Points (Below Average)</i> | <i>3 Lost Time Injuries in FY 10/11</i> |
| <i>1 Point (Poor)</i>           | <i>4 Lost Time Injuries in FY 10/11</i> |

2. Contractor will maintain an active Safety Committee, conduct quarterly meetings, report and document safety hazards as they are identified, and document the resolution of all hazards.

|                                 |   |
|---------------------------------|---|
| <i>5 Points (Excellent)</i>     | <i>All Quarterly Meetings Conducted in FY 10/11</i>   |
| <i>4 Points (Above Average)</i> | <i>One Quarterly Meeting Missed in FY 10/11</i>       |
| <i>3 Points (Average)</i>       | <i>Two Quarterly Meetings Missed in FY 10/11</i>      |
| <i>2 Points (Below Average)</i> | <i>Three Quarterly Meetings Missed in FY 10/11</i>    |
| <i>1 Point (Poor)</i>           | <i>All Four Quarterly Meetings Missed in FY 10/11</i> |

3. Contractor shall strive to provide excellent customer service to all passengers seeking ground transportation using the Airport's Curbside Management Program resulting in minimal complaints.

|                                 |   |
|---------------------------------|---|
| <i>5 Points (Excellent)</i>     | <i>No or One Valid Complaints Received Each Month in FY 10/11</i>     |
| <i>4 Points (Above Average)</i> | <i>Two or Three Valid Complaints Received Each Month in FY 10/11</i>  |
| <i>3 Points (Average)</i>       | <i>Four or Five Valid Complaints Received Each Month in FY 10/11</i>  |
| <i>2 Points (Below Average)</i> | <i>Six or Seven Valid Complaints Received Each Month in FY 10/11</i>  |
| <i>1 Point (Poor)</i>           | <i>Eight or More Valid Complaints Received Each Month in FY 10/11</i> |

4. Contractor will ensure that new employees receive the required initial training and point of service training for their position before being assigned to a shift on the curb. All new employee training and status shall be documented and updated regularly when conditions change.

5 Points (Excellent)  
1 Point (Poor)

All New Employees Received the Required Training in FY 10/11  
One or More Employees Missed the Required Training in FY 10/11

5. Recurrent training for all employees as authorized in the contract and approved in the ACP will be provided and documented. All recurrent training and status shall be documented and updated regularly when conditions change.

5 Points (Excellent)

All Training Documented and Conducted as Scheduled in FY 10/11

4 Points (Above Average)

One Training Session Missed as Scheduled in FY 10/11

3 Points (Average)

Two Training Sessions Missed as Scheduled in FY 10/11

2 Points (Below Average)

Three Training Sessions Missed as Scheduled in FY 10/11

1 Point (Poor)

Four or More Training Sessions Missed as Scheduled in FY 10/11

6. Curbside Management Program management will conduct weekly supervisory and management meetings, the topics of which will be documented and set forth monthly.

5 Points (Excellent)

All Scheduled Meetings Held and Documented in FY 10/11

4 Points (Above Average)

One Scheduled Meeting Missed Quarterly in FY 10/11

3 Points (Average)

Two Scheduled Meetings Missed Quarterly in FY 10/11

2 Points (Below Average)

Three Scheduled Meetings Missed Quarterly in FY 10/11

1 Point (Poor)

Four or More Scheduled Meetings Missed Quarterly in FY 10/11

7. Curbside Management Program management will provide the initial training on communications between Curbside Management Program team members and management personnel as this communication has great bearing on the well-being of the entire Curbside Management Program team.

5 Points (Excellent)

Training Conducted by July 15, 2010

4 Points (Above Average)

Training Conducted by August 15, 2010

3 Points (Average)

Training Conducted by September 15, 2010

2 Points (Below Average)

Training Conducted by October 15, 2010

1 Point (Poor)

Training Conducted by November 15, 2010

8. Curbside Management Program management will provide on-going annual refresher training on communications between Curbside Management Program team members and the management personnel as this communication has great bearing on the well-being of the entire Curbside Management Program team.

5 Points (Excellent)

Annual Refresher Training Conducted by July 15, 2011

4 Points (Above Average)

Annual Refresher Training Conducted by August 15, 2011

3 Points (Average)

Annual Refresher Training Conducted by September 15, 2011

2 Points (Below Average)

Annual Refresher Training Conducted by October 15, 2011

1 Point (Poor)

Annual Refresher Training Conducted by November 15, 2011

9. Curbside Management Program management shall provide all staff with adequate training so as to prepare and/or review written incident reports that will be turned over and reviewed by Airport staff on a weekly basis. Clear and well-written incident reports submitted in a very timely basis



after review by management will allow Airport staff to work expeditiously with operators to operate themselves in a professional manner.

- 5 Points (Excellent)*      *All Reports Reviewed by Curbside Management Program Management and All Valid Reports Transmitted to Landside Operations within One Week from the Date of the Incident in FY 10/11*
- 4 Points (Above Average)*      *One or Two Valid Reports Missed by Curbside Management Program Management and Not Transmitted to Landside Operations within One Week from the Date of the Incident in FY 10/11*
- 3 Points (Average)*      *Three Reports Missed by Curbside Management Program Management and Not Transmitted to Landside Operations within One Week from the Date of the Incident in FY 10/11*
- 2 Points (Below Average)*      *Four Valid Reports Missed by Curbside Management Program Management and Not Transmitted to Landside Operations within One Week from the Date of the Incident in FY 10/11*
- 1 Point (Poor)*      *Five or More Valid Reports Missed by Curbside Management Program Management and Not Transmitted to Landside Operations within One Week from the Date of the Incident in FY 10/11*

10. Curbside Management Program management is expected to be extremely prudent with any and all funds received by the Airport to staff and manage the Program.

- 5 Points (Excellent)*      *Billed expenditures for the prior six (6) month reporting period are 10.00% or more below the budget agreed upon between Contractor and City as set forth in the Annual Cost Proposal excluding any special budget requests from the Airport*
- 4 Points (Above Average)*      *Billed expenditures for the prior six (6) month reporting period are between 5.00% and 9.99% or more below the budget agreed upon between Contractor and City as set forth in the Annual Cost Proposal excluding any special budget requests from the Airport*
- 3 Points (Average)*      *Billed expenditures for the prior six (6) month reporting period are between 0.00% and 4.99% below the budget agreed upon between Contractor and City as set forth in the Annual Cost Proposal excluding any special budget requests from the Airport*
- 2 Points (Below Average)*      *Billed expenditures for the prior six (6) month reporting period are between 0.99% and 4.99% above the budget agreed upon between Contractor and City as set forth in the Annual Cost Proposal excluding any special budget requests from the Airport*
- 1 Point (Poor)*      *Billed expenditures for the prior six (6) month reporting period are 5.00% or more above the budget agreed upon between Contractor and City as set forth in the Annual Cost Proposal excluding any special budget requests from the Airport*

**Appendix E**  
**Shared Ride Van Curb Coordination Cost Allocation Summary**

The following shared ride operators will fund the costs set forth in Appendix B-Annual Cost Proposal Summary – Shared Ride Van Operators of this Agreement for the contract period from January 1, 2011 through June 30, 2013:

- Advanced Airporter
- Airport Express
- American Airporter Shuttle
- Bay Shuttle
- Go Lorrie's
- Pacific Airport Shuttle
- Peter's Airport Shuttle
- Quake City Shuttle
- San Francisco City Shuttle
- South & East Bay Airport Shuttle
- SuperShuttle

Curb Coordination cost allocation among the above operators will be reviewed and revised as necessary effective January 1, 2011 and every six (6) months thereafter. In addition, the curb coordination may be adjusted in the interim as necessary to reflect changes in the number of participating shared ride van operators and/or contract costs.

Security deposits collected by Contractor from each of the participating shared ride van operators shall equal three (3) months operator monthly allocated curb coordination costs.

Contractor shall provide Airport with informational copies of all communication, including but not limited to contracts, security deposit amounts, and invoices, between Contractor and Shared Ride Van Operators related to the provision of Curb Coordination services provided under the terms of this Agreement.

**FORM SFEC-126:**  
**NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

|   |  |
|---|--|
| <b>City Elective Officer Information</b> <i>(Please print clearly.)</i> |  |
| Name of City elective officer(s):<br>Member, Board of Supervisors       | City elective office(s) held:<br>Members, Board of Supervisors |

|  |
|--|
| <b>Contractor Information</b> <i>(Please print clearly.)</i> |
| Name of contractor:<br><b>FSP PPM Management, LLC</b>        |

*Please list the names of :*

*(1) members of the contractor's board of directors;*

Our LLC is comprised of two separate and individual corporations being ABM Parking Services and Pacific Park Management. ABM Parking Services is our Managing Partner holding 51% ownership of the LLC. Each of our partner organizations has an oversight board unique to their organization. However, our LLC has no designated Board of Directors. Under the terms of our LLC agreement, FSP PPM Management LLC, is overseen by an Executive Committee with representatives appointed by each partner respectively. Currently, our Executive Committee is comprised of Mark Muglich, President ABM Parking Services, Sam Tadesse, CEO Pacific Park Management and Scott Hutchison, Vice President ABM Parking Services.

*(2) the contractor's chief executive officer, chief financial officer and chief operating officer;*

Under the terms of our LLC agreement, oversight of the LLC is provided by an Executive Committee (see response above) comprised of representatives of member organizations. ABM Parking Services and Pacific Park Management have separate CEO's, CFO's and COO's.

*(3) any person who has an ownership of 20 percent or more in the contractor;*

No single individual has ownership of 20% or more of FSP PPM Management LLC.

*(4) any subcontractor listed in the bid or contract;*

No subcontractors were listed on our bid or contract.

*and*

*(5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.*

FSP PPM Management LLC, has no control and/or provides no sponsorship of any political committee.

*Contractor addresses:*

D. Scott Hutchison  
Vice President, ABM  
FSP PPM Management, LLC.  
45 East Broadway  
Salt Lake City, UT 84111  
Email: SHutchison@abm.com  
Fax: (866) 349-0516

Sam Tadesse  
FSP PPM Management, LLC  
465 California Street, Suite 473  
San Francisco, CA 94104  
Email: stadesse@pacificparkonline.com  
Fax: (415) 434-4455

|  |  |
|--|--|
| <i>Date that contract was approved:</i><br>1 | <i>Amount of contract:</i><br>\$15,067,000 |
|--|--|

|   |
|---|
| Describe the nature of the contract that was approved:<br>Airport Professional Services Agreement to Manage and Staff the Curbside Management Program Contract. |
| Comments:   |

This contract was approved by (check applicable):  
 the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors  
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

|   |   |
|---|---|
| <b>Filer Information</b> (Please print clearly.)  |   |
| Name of filer:<br>Angela Calvillo, Clerk of the Board                                   | Contact telephone number:<br>(415) 554-5184 |
| Address:<br>City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102 | E-mail:<br>Board.of.Supervisors@sfgov.org   |

\_\_\_\_\_  
 Signature of City Elective Officer (if submitted by City elective officer)

\_\_\_\_\_  
 Date Signed

\_\_\_\_\_  
 Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

\_\_\_\_\_  
 Date Signed

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0228

AWARD OF CONTRACT TO FSP PPM, LLC TO MANAGE AND STAFF  
THE CURBSIDE MANAGEMENT PROGRAM AT SAN FRANCISCO  
INTERNATIONAL AIRPORT

WHEREAS, pursuant to Airport Commission Resolution No. 10-0010 adopted on January 12, 2010, Airport staff issued a Request for Proposals (RFP) on February 1, 2010 to staff and manage the Airport's Curbside Management Program upon the expiration of the current agreement; and

WHEREAS, two (2) proposals were received by the March 19, 2010 deadline and were found to be responsive; and

WHEREAS, Five Star Parking/Pacific Park Management, LLC was the highest-ranked proposer at the conclusion of the RFP's evaluation process; and

WHEREAS, pursuant to Airport Commission Resolution No. 10-0010 adopted on January 12, 2010, Airport staff was successful in negotiating acceptable contract terms with Five Star Parking/Pacific Park Management, LLC to provide staffing and management services required to operate the Airport's Curbside Management Program effective January 1, 2011; and

WHEREAS, the Airport Director was requested to return to this Commission for approval of the terms and to award the contract; now, therefore, be it

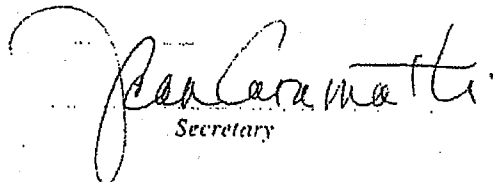
RESOLVED, that this Commission awards the contract to Five Star Parking/Pacific Park Management, LLC to provide staffing and management services required to operate the Airport's Curbside Management Program for a 30-month term, with three (3) additional one-year renewal options to be exercised at the sole and complete discretion of this Commission, at a cost not-to-exceed \$10,450,000.00 for the 30-month term beginning January 1, 2011 and concluding on June 30, 2013, and be it further

RESOLVED, that this contract be submitted to the San Francisco Board of Supervisors for approval pursuant to San Francisco Charter Section 9.118.

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

*at its meeting of..*

JUL 06 2010

  
Secretary

