

Timothy Hatfield

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Leroy Sisneros

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Jeff Littlefield

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

**Modification No. 5**

This Modification is made this 18th day of April, 2023, in the City and County of San Francisco, State of California, by and between: KONE Inc., 567 7<sup>th</sup> Street, San Francisco, CA 94103 (the “Contractor”), and the City and County of San Francisco, a municipal corporation (the “City”), acting by and through its Airport Commission (the “Commission”).

**Recitals**

- A. City and Contractor have entered into the Agreement for the San Francisco International Airport (the “Airport” or “SFO”) (as defined below); and,
- B. The Commission is authorized to enter into all contracts which relate to matters under its jurisdiction; and
- C. On May 7, 2019, by Resolution No. 19-0098, the Commission awarded this Agreement to the Contractor for a two-year term from July 1, 2019 through June 30, 2021, in an amount not to exceed \$9,765,000; and
- D. On October 1, 2019, City and Contractor administratively modified the Agreement through Modification No. 1 to revise Appendix B by increasing the allowance for As-Needed Services with no change to the contract amount; and
- E. On July 1, 2020, City and Contractor administratively modified the Agreement through Modification No. 2 to reduce unit prices for preventative maintenance by five percent because of the COVID-19 pandemic, adjust the preventative maintenance schedule, and update standard contractual terms; and
- F. On December 1, 2020, by Resolution No. 20-0223, the Commission approved Modification No. 3 to the Agreement to increase the contract amount by \$9,000,000 for a not-to-exceed amount of \$18,765,600, with no change to the contract term; and
- G. On February 9, 2021, by Resolution No. 55-21, the Board of Supervisors approved Modification No. 3 under San Francisco Charter Section 9.118 for a reduced amount of \$8,500,000 for a not-to-exceed amount of \$18,265,600; and
- H. On May 4, 2021 by Resolution No. 21-0104, the Commission approved Modification No. 4 to extend the contract duration by three years to a new contract end date of June 30, 2024, and increase the contract amount by \$16,200,000 for a new not-to-exceed amount of \$34,465,600; and
- I. On June 15, 2021, by Resolution No. 306-21, the Board of Supervisors approved Modification No. 4 under San Francisco Charter Section 9.118; and
- J. City and Contractor now desire to modify the Agreement to increase the contract amount by \$14,000,000 for a new not-to-exceed amount of \$48,465,600 with no change to the contract term and to update standard contractual clauses; and

K. On April 18, 2023, by Resolution No. 23-0095, the Commission approved this Modification No. 5 to increase the contract amount by \$14,000,000 for a new not-to-exceed amount of \$48,465,600 with no change to the contract term; and

L. On \_\_\_\_\_, by Resolution No. \_\_\_\_\_, the San Francisco Board of Supervisors approved this Agreement under San Francisco Charter Section 9.118; and

M. Approval for this Agreement was obtained when the Civil Service Commission approved PSC No. 47246-18/19 on April 17, 2023 and

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

1. **Article 1. Definitions** is hereby amended as follows:

a. **Section 1.1 Agreement** is replaced in its entirety with the following:

1.1 “Agreement” or “Contract Document” means this contract document dated May 7, 2019, Modification No. 1 dated October 1, 2019, Modification No. 2 dated July 1, 2020, Modification No. 3 dated December 1, 2020, and Modification No. 4 dated May 4, 2021, including all attached appendices, and all applicable City ordinances and “Mandatory City Requirements” which are specifically incorporated by reference into this Agreement.

b. **Section 1.10 City Data** is replaced in its entirety with the following:

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

c. **Section 1.11 Confidential Information** is replaced in its entirety with the following:

1.11 Confidential Information

1.11.1 “Confidential Information” means confidential City information including, but not limited to, personally-identifiable information (“PII”), protected health information (“PHI”), or individual financial information (collectively, “Proprietary or Confidential Information”) that is subject to local, state or federal laws restricting the use and disclosure of such information, including, but not limited to, Article 1, Section 1 of the California Constitution; the California Information Practices Act (Civil Code § 1798 *et seq.*); the California Confidentiality of Medical Information Act (Civil Code § 56 *et seq.*); the federal Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801(b) and 6805(b)(2)); the privacy and information security aspects of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act (45 CFR Part 160 and Subparts A, C, and E of Part 164); and Administrative Code Chapter 12M (“Chapter 12M”).

1.11.2 “Confidential Information” also means any and all nonpublic information, whether written, electronic, or oral, concerning or relating to Airport technology, computer, or data systems, processes, or procedures, or Critical Infrastructure Information or Protected Critical Infrastructure Information as defined under the Homeland Security Act of 2002 and 6 CFR §29.2, which information or access to such information is supplied by the Airport or on behalf of the Airport to Contractor or otherwise acquired by Contractor during the course of dealings with the

Airport. Additionally, “Confidential Information” includes security or security-related information, whether or not such information constitutes sensitive security information (“SSI”) as provided under 49 CFR Part 1520. In the event Contractor acquires SSI, it shall treat such information in conformance with federal law and the provisions of this Agreement.

1.11.3 “Confidential Information” is confidential regardless of whether such information is in its original form, a copy, or a derivative product. “Derivative” means written or electronic material created from or with, or based on Confidential Information (i.e., a report analyzing Confidential Information shall also be considered Confidential Information). Confidential Information shall also mean proprietary, trade secret or other protected information, identified as Confidential Information by the Airport.

d. **New Section 1.13 Digital Signature** is added to the Agreement as follows:

1.13 “Digital Signature” means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature.

2. **Article 3. Compensation, Section 3.3.1 Payment** is hereby amended to increase the total not-to-exceed compensation payable by Fourteen Million Dollars (\$14,000,000) for a new total not-to-exceed amount of Forty-Eight Million Four Hundred Sixty-Five Thousand Six Hundred Dollars (\$48,465,600).

3. **Article 8. Termination and Default, Section 8.2.2 Exercise of Default Remedies** is amended to specify that Section 8.2.2 shall survive termination or expiration of the Agreement.

4. **Article 11. General Provisions, Section 11.1 Notice to the Parties** is replaced in its entirety as follows to provide for the use of trackable overnight mail for notices of default, and establish consent for use of Digital Signatures:

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

To City: **Timothy Hatfield, Manager**  
**Mechanical Maintenance**  
**San Francisco International Airport**  
**PO Box 8097**  
**San Francisco, CA 94128**  
**Timothy.Hatfield@flysfso.com**

To Contractor: **Joe Harmeyer, Vice President**  
**KONE Inc.**  
**567 7<sup>th</sup> Street**  
**San Francisco, CA 94103**  
**Joe.Harmeyer@KONE.com**

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

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

5. **Appendix A, Section 4. Regular Work Hours** is hereby replaced in its entirety with **New Section 4. Regular Work Hours** to exclude legal holidays and require mutually agreed-upon rates for callback work outside of regular work hours:

4. **Regular Work Hours:** Contractor shall be prepared to provide service 24 hours per day, 7 days per week – legal holidays excluded. Regular work hours may be negotiated between the Contractor and the Airport, however planned preventative maintenance should be performed primarily between the hours of 11:00 p.m. and 7:00 a.m., Monday through Sunday. Any call-back work performed outside of the regular work hours will be charged at mutually agreed upon hourly service rates.

5. **Appendix B, B. As-Needed Services** is hereby amended to increase the total Allowance for As-Needed Services by \$14,000,000 for a new total Allowance of \$27,200,000

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

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

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

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

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By: _____ Ivar C. Satero, Airport Director	<p>DocuSigned by: <i>Joe Harmeyer</i> 2466D1C3FAFB4DA... Authorized Signature</p>
Attest:	Joe Harmeyer Printed Name
By _____ Kantrice Ogletree, Secretary Airport Commission	Vice President, Mid Pacific District Title
Resolution No: 23-0095	KONE Inc. Company Name
Adopted on: April 18, 2023	0000003220 City Supplier Number
Approved as to Form:	567 7 <sup>th</sup> Street Address
David Chiu City Attorney	San Francisco, CA 94103 City, State, ZIP
By _____ Daniel A. Edington Deputy City Attorney	415-554-0580 Telephone Number
	36-2357423 Federal Employer ID Number