

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

Modification No. 1

**Contract No. 12047.41
Commissioning, Activation, and Simulation Support Services**

This Modification is made this 1st day of October 2026, in the City and County of San Francisco, State of California, by and between Faith Group PMCM2 JV, 950 Rockdale Drive, San Francisco, California 94127 (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") for Commissioning, Activation, and Simulation Support Services; and
- B. The Commission is authorized to enter into all contracts which relate to matters under its jurisdiction; and
- C. On November 19, 2024, by Resolution No. 24-0237, the Commission awarded the Agreement to Contractor in the not-to-exceed amount of \$7,500,000 with a duration of five (5) years; and
- D. City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the contract amount; and
- E. On March 17, 2026, by Resolution No. 26-0047, the Commission approved this Modification, increasing the contract not-to-exceed amount by \$9,500,000, for a new total contract not-to-exceed amount of \$17,000,000, and with no change to the contract duration; and
- F. On _____, by Resolution No. _____, the City's Board of Supervisors approved this Modification to increase the contract not-to-exceed amount by \$9,500,000, for a new total contract not-to-exceed amount of \$17,000,000, pursuant to City Charter Section 9.118; and
- G. Approval for the Agreement was obtained when the Civil Service Commission approved PSC No. DHRPSC0004380 (formerly PSC No. 49604-23/24) on June 3, 2024; and
- H. Contractor represents and warrants that it is qualified to perform the services required by the City under the Agreement.

NOW, THEREFORE, Contractor and City agree as follows:

- 1. **Article 1 Definitions** is deleted in its entirety and is replaced with the following:

Article 1 Definitions

The following definitions apply to this Agreement:

- 1.1 "Appendices" means the appendices listed in Article 14, "Appendices," herein.

1.2 “Artificial Intelligence” or “Artificial Intelligence Model” means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.

1.3 “Artificial Intelligence System” means a machine-based system that is designed to operate with varying levels of autonomy and that may exhibit adaptiveness after deployment, and that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments.

1.4 “City” means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration or the Director’s designated agent, hereinafter referred to as “Purchasing,” and the Airport Commission.

1.5 “City Data” means all data collected, used, maintained, processed, stored, and/or generated by or on behalf of City in connection with this Agreement. City Data includes, without limitation, Confidential Information and Deliverable Data.

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

1.7 “Confidential Information” means confidential City information including, but not limited to, personal identifiable information (“PII”), protected health information (“PHI”), or individual financial information (collectively, “Proprietary or Confidential Information”) that is subject to local, state or federal laws restricting the use and disclosure of such information, including, but not limited to, Article 1, Section 1 of the California Constitution; the California Information Practices Act (Civil Code § 1798 et seq.); the California Confidentiality of Medical Information Act (Civil Code § 56 et seq.); the federal Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801(b) and 6805(b)(2)); the privacy and information security aspects of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act (45 CFR Part 160 and Subparts A, C, and E of part 164); and San Francisco Administrative Code Chapter 12M (“Chapter 12M”). Confidential Information includes, without limitation, City Data.

1.7.1 “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.

1.7.2 “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.

1.8 “Contractor” means Faith Group PMCM2 JV, a joint venture between Faith Group, LLC, and PMCM2, LLC, located at 950 Rockdale Drive, San Francisco, California 94127.

1.9 “Deliverable Data” means any data that is required to be delivered to City as a Deliverable, or as a part of a Deliverable, under this Agreement.

1.10 “Deliverables” means Contractor’s or its subcontractors’ work product, including any partially completed work product and related materials, resulting from the Services provided by Contractor to City during the course of Contractor’s performance of the Agreement, including, without limitation, the

work product described in the “Scope of Services” attached as Appendix A.

1.11 “Generative Artificial Intelligence” means Artificial Intelligence that can generate derived synthetic content, such as text, images, video, and audio, that emulates the structure and characteristics of the Artificial Intelligence’s training data.

1.12 “Mandatory City Requirements” means those City laws set forth in the San Francisco Municipal Code, including the duly authorized rules, regulations, and guidelines implementing such laws that impose specific duties and obligations upon Contractor.

1.13 “Notice to Proceed” means the written notice issued by the City to Contractor authorizing Contractor to proceed with the Services and establishing the date of commencement of the term of the Agreement.

1.14 “Party” and “Parties” mean City and Contractor, either individually or collectively.

1.15 “Personal Identifiable Information (PII)” means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household. Personal information includes, but is not limited to, the following if it identifies, relates to, describes, is reasonably capable of being associated with, or could be reasonably linked, directly or indirectly, with a particular individual or household as further defined in the California Consumer Privacy Act.

1.16 “Services” means the work performed by Contractor under this Agreement as specifically described in the “Scope of Services” attached as Appendix A, including all services, labor, supervision, materials, equipment, actions, and other requirements to be performed and furnished by Contractor under this Agreement.

2. **Section 2.1 Term** is hereby amended to clarify that the term commenced on **February 18, 2025**, and will expire on **February 18, 2030**, unless earlier terminated as otherwise provided in the Agreement.

3. **Section 3.3.1 Calculation of Charges and Contract Not-to-Exceed Amount** is hereby amended to increase the total maximum compensation payable by **Nine Million Five Hundred Thousand Dollars (\$9,500,000)** for a new total not-to-exceed amount of **Seventeen Million Dollars (\$17,000,000)**.

4. **Section 3.3.4 Invoice Format** is deleted in its entirety and replaced with the following:

3.3.4 **Invoicing.** Contractor shall invoice the City for the Services provided under this Agreement on a timely basis, and in no event later than 30 days after delivery of the Services or as specified in Appendix B, Calculation of Charges, except for the last invoice of the fiscal year, which must be submitted within 15 days before the end of July. Invoices submitted by Contractor must be in a form acceptable to the Controller and City and include a unique invoice number and a specific invoice date. Payment shall be made by the City as specified in Section 3.3.8, or in such alternate manner as the Parties have mutually agreed upon in writing. All invoices must show the PeopleSoft Purchase Order ID Number, PeopleSoft Supplier Name and ID, Item numbers (if applicable), complete description of Services performed, sales/use tax (if applicable), contract payment terms and contract price. Invoices that do not include all required information or contain inaccurate information will not be processed for payment.

5. **Section 4.2 Qualified Personnel** is deleted in its entirety and replaced with the following:

4.2 **Qualified Personnel.** Contractor represents and warrants that it is qualified to perform the Services for which it is contracted to provide through this Agreement, and that all Services will be performed by competent personnel with the degree of skill and care required by current and sound professional procedures and practices. Contractor will comply with City’s reasonable requests regarding assignment and/or removal of personnel, but all personnel, including those assigned at City’s request, must be

supervised by Contractor. Contractor shall commit sufficient resources for timely completion within the project schedule.

4.2.1 Key Personnel Substitutions. Contractor understands that the evaluation and selection of its proposal was based, in part, on Contractor’s team and key personnel as submitted in response to the RFP. Therefore, the City will not approve any requests for substitution of key personnel within twelve (12) months after the NTP until it has investigated the reasons for such requests and determined them to be appropriate. The City retains sole discretion in deciding whether to approve any proposed substitution throughout the life of the Agreement.

(a) The City and Contractor understand and agree that time is of the essence in all matters relating to the Project under this Agreement, and that the City will suffer financial and other intangible but significant losses if the Services are not completed in a timely manner as described in this Agreement. Contractor further acknowledges and agrees that the actual cost to the City resulting from the substitution of key personnel is extremely difficult, if not impossible, to quantify. Therefore, the City and Contractor agree that should the City determine, at its sole discretion, that a substitution of key personnel has contributed to a loss of productivity, Contractor will pay the City liquidated damages for that loss of productivity (but not as a penalty) in the following amounts: (i) \$35,000 if key personnel are replaced during the period between the award of the Agreement and sixty (60) days after issuance of the NTP, or (ii) the cost billed and approved by the City for the substituted key personnel, including salary and overhead, if the substitution occurs after sixty (60) days following the issuance of the NTP but before the completion of the first year of services.

(b) If key personnel are substituted without prior written approval from the City within twelve (12) months after issuance of the NTP, this may be considered a material breach of contract. The City reserves the right to terminate the Agreement if Contractor substitutes key personnel without prior City approval. Additionally, unapproved substitutions may negatively affect Contractor’s responsibility evaluation in future procurements. The City’s approval of any substitution of key personnel must be in writing.

6. **Section 8.2.1** is deleted in its entirety and replaced with the following:

8.2.1 Each of the following shall constitute an immediate event of default (“Event of Default”) under this Agreement:

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

3.5	Submitting False Claims	10.3.6	Alcohol and Drug-Free Workplace
4.5	Assignment	11.10	Compliance with Laws
Article 5	Insurance and Indemnity	Article 13	Data and Security
Article 7	Payment of Taxes	---	---

(b) Contractor fails or refuses to perform the Services or to perform or observe any other term, covenant or condition contained in this Agreement, including any obligation imposed by ordinance or statute and incorporated by reference herein, and such default is not cured within ten (10) days after written notice thereof from City to Contractor or from when Contractor otherwise becomes aware of the Event of Default. If Contractor defaults a second time in the same manner as a prior default cured by Contractor, in addition to all other remedies available to City, City may in its sole discretion immediately terminate the Agreement for default or grant an additional period not to exceed five (5) days for Contractor

to cure the default.

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

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

7. A new **Section 11.15 No Third-Party Beneficiaries** is incorporated into the Agreement as follows:

11.15 No Third-Party Beneficiaries. The representations, warranties and other terms contained herein are for the sole benefit of the Parties hereto and their respective successors and permitted assigns, and they shall not be construed as conferring any rights on any other persons.

8. **Section 12.7 Airport Commission Cyber Security Requirements** is deleted in its entirety and replaced with the following:

12.7 Airport Commission Cyber Security Requirements.

12.7.1 Should the Services provided under this Agreement require Contractor to access Airport information systems residing within Airport managed networks, Contractor shall use the Airport's VPN solution to access such Airport systems and is prohibited from implementing any other remote access solution without the express written permission of the Airport's Chief Information Security Officer.

12.7.2 For the purposes of this Agreement, known exploitable vulnerabilities ("KEV"), as that term is defined by the Department of Homeland Security Cybersecurity & Infrastructure Security Agency ("DHS/CISA"), and all software on the DHS/CISA Known Exploited Vulnerabilities Catalog ("KEV catalog"), shall be designated as a "high risk" or "critical" vulnerability.

12.7.3 All software used with information technology that is used by Contractor in the creation or delivery of the Services provided under this Agreement shall be maintained in accordance with DHS/CISA guidelines for said software and information technology as follows:

- Critical vulnerabilities associated with internet-facing services must be remediated within eight (8) hours of being published in the KEV catalog, and critical vulnerabilities in all other information technology must be addressed within three (3) business days of being published.
- High risk vulnerabilities associated with internet-facing services must be remediated within three (3) days of being published in the KEV catalog, and high-risk vulnerabilities in all other information technology must be addressed within fourteen (14) business days of being published.
- For the purposes of this Section, "remediation" means to "reduce the significant risk of known exploitable vulnerabilities" as these terms are used by DHS/CISA in relationship to the KEV catalog.

- Depending upon the specific circumstances relating to how the software associated with this Agreement is used, it is possible that a critical or high-risk vulnerability might not be exploitable. Should that be the case, the Contractor may provide attestation to these circumstances to meet these remediation requirements for City's review.

12.7.4 For software and services managed by the Contractor, Contractor is required to notify the Airport Chief Information Security Officer of any known or suspected software vulnerabilities that, if exploited, could adversely impact the software and services being provided under this Agreement.

12.7.5 Contractor shall comply with City's requirements for Cybersecurity Risk Assessment as outlined in the OCA Technology Purchasing Handbook (which may be found at: https://www.sf.gov/sites/default/files/2022-10/OCA%20Technology%20Purchasing%20Guidelines%20v13.1_9-30-22.pdf), and, where applicable under such handbook, provide the Airport Chief Information Security Officer with a completed City Cyber Risk Assessment Questionnaire or SSAE 18 SOC-2 Type 2 report prior to the effective date of this Agreement and at least annually thereafter.

9. **Section 13.4 Management of City Data** is deleted in its entirety and replaced with the following:

13.4 **Management of City Data.**

13.4.1 **Use of City Data.** Contractor agrees to hold City Data received from, or created or collected on behalf of, City, in strictest confidence. Contractor shall not use or disclose City Data except as permitted or required by the Agreement or as otherwise authorized in writing by City. Any work by Contractor or its authorized subcontractors using, or sharing or storage of, City Data outside the United States is prohibited, absent prior written authorization by City. Access to City Data must be strictly controlled and limited to Contractor's staff assigned to this project on a need-to-know basis only. City Data shall not be distributed, repurposed or shared across other applications, environments, or business units of Contractor. Contractor is provided a limited non-exclusive license to use City Data solely for performing its obligations under the Agreement and not for Contractor's own purposes or later use, provided, however, that no City Data may be used by Contractor to train, modify or improve any Artificial Intelligence Systems or Models without City's prior written consent, which may be withheld or withdrawn at City's sole discretion. Nothing herein shall be construed to confer any license or right to City Data, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third-party. Unauthorized use of City Data by Contractor, subcontractors or other third-parties is prohibited. For purpose of this requirement, the phrase "unauthorized use" means the data mining or processing of data and/or machine learning from the data, stored or transmitted by the service, for unrelated commercial purposes, advertising or advertising-related purposes, or for any purpose that is not explicitly authorized other than security or service delivery analysis.

13.4.2 **Use of Generative Artificial Intelligence in Deliverables.** Contractor is prohibited from using Generative Artificial Intelligence in the development of Deliverables without City's prior written consent. Contractor represents and warrants to City that Deliverables will not be developed in a manner that conflicts with the City's rights in and to the Deliverables under Article 9, "Rights in Deliverables," or the City Data confidentiality and security requirements under Article 13, "Data and Security," of this Agreement.

13.4.3 **Disposition of City Data.** Except as otherwise provided for in this Agreement, upon City's request, termination or expiration of this Agreement, or the expiration of any required document retention period or litigation hold, Contractor shall promptly, but in no event later than thirty (30) calendar days, return all City Data given to, or collected or created by Contractor on City's behalf, which includes all original media. Once Contractor has received written confirmation from City that the City Data has been successfully transferred to City, Contractor shall, within ten (10) business days, securely dispose, clear, purge, and/or physically destroy, all copies of all City Data from its servers, files, hosted environments used in performance of this Agreement (including subcontractors' environments), work stations used to process or produce the data, and any other work files stored by Contractor in whatever medium. Contractor shall

provide City with written certification that such secure disposal occurred within five (5) business days of the disposal. Secure disposal shall be accomplished by “clearing,” “purging” or “physical destruction,” in accordance with National Institute of Standards and Technology (NIST) Special Publication 800-88 or most current industry standard.

10. A new **Article 15 Appendices** is incorporated into the agreement as follows:

Article 15 Appendices

15.1 Appendices. The following appendices (“Appendices” in the plural and each an “Appendix” in the singular) are hereby attached and incorporated into this Agreement by reference as though fully set forth herein:

Appendix A: Scope of Services

Appendix B: Calculation of Charges

Appendix C: SAN FRANCISCO LABOR AND EMPLOYMENT CODE UPDATE

11. Appendix B, Calculation of Charges, Section 3.5 Direct Labor Rate Ranges is deleted and replaced in its entirety with the following:

3.5 Direct Labor Rate Ranges

The approved direct labor rate ranges are as follows:

Classification	Direct Labor Rate Range	
	Low	High
JV Department Manager	\$100.00	\$144.00
Field Engineer I	\$45.00	\$75.00
Field Engineer II	\$55.00	\$87.00
Field Engineer III	\$65.00	\$98.00
Sr. Field Engineer	\$75.00	\$115.00
Office Engineer I	\$35.00	\$64.00
Office Engineer II	\$45.00	\$75.00
Office Engineer III	\$55.00	\$87.00
Sr. Office Engineer	\$65.00	\$98.00
MEP Manager	\$75.00	\$121.00
QA/QC/Code Compliance/Safety Manager	\$55.00	\$121.00
SEP Manager	\$50.00	\$110.00
Special Systems Manager	\$70.00	\$115.00
Special Systems Support	\$50.00	\$98.00

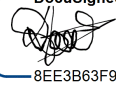
Systems Engineer I	\$55.00	\$81.00
Systems Engineer II	\$70.00	\$98.00
Systems Engineer III	\$85.00	\$110.00
Sr. Systems Engineer	\$95.00	\$127.00
Technical Advisor	\$50.00	\$124.00
Resident Engineer	\$65.00	\$111.00
Assistant Resident Engineer	\$55.00	\$98.00
Program Manager	\$95.00	\$138.00
Project Manager I	\$50.00	\$75.00
Project Manager II	\$65.00	\$87.00
Project Manager III	\$70.00	\$98.00
Project Manager IV	\$80.00	\$110.00
Sr. Project Manager	\$95.00	\$144.00
Engineer I	\$40.00	\$64.00
Engineer II	\$55.00	\$81.00
Engineer III	\$70.00	\$98.00
Engineer IV	\$85.00	\$110.00
Sr. Engineer	\$95.00	\$127.00
Engineer in Training	\$25.00	\$41.00
Support Engineer I	\$35.00	\$12.00
Support Engineer II	\$45.00	\$64.00
Support Engineer III	\$55.00	\$75.00
Sr. Support Engineer	\$65.00	\$87.00
Airport Special System I	\$45.00	\$69.00
Airport Special System II	\$60.00	\$87.00
Airport Special System III	\$75.00	\$104.00
Airport Special System Manager	\$95.00	\$144.00
Administrative Support I	\$25.00	\$41.00
Administrative Support II	\$30.00	\$46.00
Administrative Support III	\$35.00	\$52.00
Administrative Support IV	\$40.00	\$58.00
Administrative Support V	\$45.00	\$64.00
Sr. Admin Support	\$55.00	\$75.00
Document Control	\$45.00	\$64.00
Document Control	\$55.00	\$81.00
Document Control	\$70.00	\$98.00

Sustainability & EMS/NetZero Manager	\$45.00	\$115.00
Sustainability Engineer I	\$45.00	\$75.00
Sustainability Engineer II	\$60.00	\$92.00
Sustainability Engineer III	\$75.00	\$110.00
Sr. Sustainability Engineer	\$90.00	\$121.00
Special Inspections/Testing	\$50.00	\$92.00
Document Control Support I	\$25.00	\$41.00
Document Control Support II	\$35.00	\$52.00
Document Control Support III	\$45.00	\$64.00
Subject Matter Expert I	\$60.00	\$92.00
Subject Matter Expert II	\$80.00	\$115.00
Subject Matter Expert III	\$100.00	\$180.00
Principal In Charge	\$150.00	\$201.00
JV Principal In Charge	\$110.00	\$173.00
JV Manager	\$110.00	\$173.00
Contract Manager	\$90.00	\$138.00

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

13. **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 Modification on the first day mentioned above.

<p>CITY AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO</p> <p>By: _____ Mike Nakornkhet, Airport Director</p> <p>Approved as to Form:</p> <p>David Chiu City Attorney</p> <p>By: _____ Daniel A. Edington, Deputy City Attorney</p>	<p>CONTRACTOR</p> <p>DocuSigned by: Zach Varwig CCFCA22EA938467...</p> <p>_____ Zach Varwig, Owner, Principal</p> <p>Faith Group, LLC 3101 South Hanley Road St. Louis, MO 63143</p> <p>CONTRACTOR</p> <p>DocuSigned by:  8EE3B63F948241E...</p> <p>_____ Vijay Raut</p> <p>PMCM2, LLC 950 Rockdale Drive San Francisco, CA 94127</p> <p>City Supplier Number: 1000035246</p> <p>Federal Employer ID Number: 99-2939355</p>
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