

File No. 250971

Committee Item No. 2

Board Item No. 17

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date October 22, 2025

Board of Supervisors Meeting Date October 28, 2025

#### Cmte Board

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

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

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>AIR Commission Resolution No. 25-0153 9/16/2025</u>            |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <u>Presidential Action Memo – Temporary Membership 10/21/2025</u> |
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Completed by: Brent Jalipa Date October 16, 2025

Completed by: Brent Jalipa Date October 23, 2025

1 [Airport Professional Services Agreement - BEUMER Lifecycle Management, LLC - Operation  
2 and Maintenance of Airport Baggage Handling Systems - Not to Exceed \$30,000,000]

3 **Resolution approving Award of Professional Services Agreement for Airport Contract**  
4 **No. 50409, for Operation and Maintenance of Airport Baggage Handling Systems,**  
5 **between BEUMER Lifecycle Management, LLC, and the City and County of San**  
6 **Francisco, acting by and through its Airport Commission, in an amount not to exceed**  
7 **\$30,000,000 for a term of three years, commencing on November 1, 2025, through**  
8 **October 31, 2028, with a single option to extend for two additional years, exercisable at**  
9 **the sole discretion of the Airport Commission, pursuant to Charter, Section 9.118(b).**

10  
11 WHEREAS, On September 16, 2025, pursuant to Resolution No. 25-0153, the Airport  
12 Commission awarded a Professional Services Agreement for Airport Contract No. 50409 for  
13 the Operations and Maintenance of Airport Baggage Handling Systems to BEUMER Lifecycle  
14 Management LLC, for a total not-to-exceed contract amount of \$30,000,000 for a term of  
15 three years, with a single option to extend for two additional years, exercisable at the sole  
16 discretion of the Airport Commission; and

17 WHEREAS, San Francisco Charter, Section 9.118(b), provides that the agreements  
18 entered into by a department, board or commission requiring anticipated expenditures by the  
19 City and County of ten million dollars, or a modification to such an agreement having an  
20 impact of more than \$500,000 shall be subject to approval by the Board of Supervisors by  
21 Resolution; and

22 WHEREAS, On March 5, 2025, the Office of Contract Administration approved  
23 Proprietary Article No. 12 for this Agreement for the procurement of operations and  
24 maintenance services of the baggage handling system equipment in Terminal 1, including  
25

1 service and parts when repairs must be done by the manufacturer of the system, as well as  
2 access to proprietary software, under Administrative Code, Chapter 21.5(d); and

3 WHEREAS, The Contract is on file with the Clerk of the Board of Supervisors in File  
4 No. 250971, which is hereby declared to be a part of this Resolution as if set forth fully herein;  
5 now, therefore, be it

6 RESOLVED, That the Board of Supervisors hereby approves the Award of  
7 Professional Services Agreement for Airport Contract No. 50409 for Operation and  
8 Maintenance of Airport Baggage Handling Systems between BEUMER Lifecycle  
9 Management, LLC, and the City and County of San Francisco, acting by and through its Airport  
10 Commission, for a not-to-exceed contract amount of \$30,000,000 for a term of three years,  
11 with a single option to extend for two additional years, exercisable at the sole discretion of the  
12 Airport Commission; and, be it

13 FURTHER RESOLVED, That within thirty (30) days of the Contract being fully  
14 executed by all parties, the Airport Commission shall provide it to the Clerk of the Board for  
15 inclusion in the official file.

**Item 2**  
**File 25-0971**

**Department:**  
Airport

## **EXECUTIVE SUMMARY**

### **Legislative Objectives**

- The proposed resolution would approve a professional services contract between the Airport and BEUMER Lifecycle Management LLC for the operations and maintenance of the baggage handling system in Harvey Milk Terminal 1. The contract has a not-to-exceed of \$30,000,000 and a term of three years from November 1, 2025, through October 31, 2028, with an option to extend for two additional years, for a total possible term of five years through October 31, 2030.

### **Key Points**

- In July 2015, the Airport Commission approved a design-build contract with BEUMER Lifecycle Management, LLC for the Harvey Milk Terminal 1 baggage handling system. The contract required the Airport to enter into an operations and maintenance agreement with BEUMER for a period of up to five years, commencing after the system became operational. In June 2024, the baggage handling system was expanded by approximately 33 percent and the new portions of the system remain under warranty until 2026. Because the system uses proprietary software, BEUMER is the only vendor that can operate the existing system. For this reason, the Airport obtained a sole source procurement authorization from the Office of Contract Administration for this new contract with BEUMER to operate and maintain the baggage handling system in Terminal 1.
- BEUMER's performance is measured primarily by system up-time, as well as the accuracy baggage sorting and timely completion of maintenance requests. Under the existing contract, BEUMER has generally met the contract's performance thresholds, and no penalties have been assessed.

### **Fiscal Impact**

- The proposed resolution authorizes a new contract with a total not-to-exceed amount of \$30,000,000 with a three-year term and one option to extend it for two years. The contract budget for the initial three-year term is \$30,000,000, including a ten percent contingency.
- The contract is funded by Airport operating revenues.

### **Recommendation**

- Approve the proposed resolution.

**MANDATE STATEMENT**

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

**BACKGROUND**

In July 2015, the Airport Commission approved a design-build contract with BEUMER Lifecycle Management, LLC (BEUMER) for the Harvey Milk Terminal 1 baggage handling system, which transports checked luggage from ticketing counters to departing airplanes and from arriving airplanes to baggage claim or other departing airplanes.<sup>1</sup> This contract required the Airport to enter into an operations and maintenance agreement with BEUMER for a period of up to five years, commencing after the system became operational.

In July 2020, the Board of Supervisors approved the original professional services contract with BEUMER for an initial not-to-exceed amount of \$21 million for a term through June 2023 (File 20-0698). In October 2024, the Board of Supervisors approved Amendment No. 2, which extended the term through June 30, 2025, and increased the total not-to-exceed amount to \$35 million (File 23-0801).

The current contract for these services was set to expire on June 30, 2025, but was extended through December 31, 2025, because negotiations for the new contract took longer than expected. The remaining balance from the prior agreement will be used to cover services from July through October 2025, with the new contract anticipated to begin on November 1, 2025.

**Sole-Source Justification**

In June 2024, the baggage handling system was expanded by approximately 33 percent. Airport staff negotiated a new sole-source agreement with BEUMER for ongoing operation and maintenance. The reason for the sole-source award is based on two factors: (1) the baggage handling system expansion from the Harvey Milk Terminal 1 North project remains under warranty, and switching vendors would void this warranty, which expires in 2026, and (2) the entire system operates with proprietary mechanical, electrical, and system control architecture, as well as proprietary software, that only BEUMER can service and support.

On March 5, 2025, the Office of Contract Administration approved a waiver of competitive solicitation requirements for procuring a baggage handling system operator for Terminal 1.

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<sup>1</sup> According to the Airport, each terminal has a different baggage handling system. The Airport owns the systems but different entities operate and maintain them. The international terminal's baggage handling system is operated by SFOTEC, an airline consortium. Terminal 1 is maintained by BEUMER. Terminal 2 is maintained by Professional Business Providers, another Airport contractor. Terminal 3 is maintained by United Airlines.

On September 16, 2025, the Airport Commission awarded the professional services contract to BEUMER.

### DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve a professional services contract between the Airport and BEUMER Lifecycle Management LLC for the operations and maintenance of the baggage handling system in the Harvey Milk Terminal 1. The contract has a not-to-exceed of \$30,000,000 and a term of three years from November 1, 2025, through October 31, 2028, with an option to extend for two years, for a total possible term of five years through October 31, 2030.

#### Scope of Services

Under the proposed agreement, BEUMER will offer 24/7 operational availability for the baggage handling system in Terminal 1. The scope includes all labor, supervision, materials, repair, replacement parts, tools, supplies, and equipment necessary for comprehensive maintenance and repair services. BEUMER is responsible for maintaining the flow of materials through the screening equipment, including the clearing of jams or stoppages.

The baggage handling system utilizes BEUMER's proprietary bi-directional tote technology to transport checked luggage from ticketing counters to departing aircraft and from arriving aircraft to baggage claim or other departure flights.

#### Local Business Enterprise Program Waiver

The Contract Monitoring Division approved a waiver of the Local Business Enterprise subcontracting requirement, citing an "absence of subcontracting opportunities." While the agreement lists three subcontractors (Lloyd W. Aubrey Company Inc., Prime Flight Aviation Services, and ABM Industries), these companies are not involved in the daily operation or maintenance of the system and are not LBEs. Their roles are limited to providing auxiliary, as-needed services for emergencies, such as specialty rigging for repairs or emergency baggage portering during system failures.

#### Performance Monitoring

BEUMER's performance is measured primarily by system up-time, as well as the accuracy baggage sorting and timely completion of maintenance requests. The Airport may deduct up to five percent of BEUMER's monthly invoice if the system is down and up to \$1,000 if other performance targets are not met.

Under the existing contract, BEUMER has generally met the contract's performance thresholds, and no penalties have been assessed. While BEUMER has generally met its performance targets, the Airport notes that the automated tag reader read rate<sup>2</sup> is sometimes impacted by factors outside of BEUMER's control, including installation issues with readers located under the belt and

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<sup>2</sup> Bags are inserted into totes which have serialized barcodes that are tracked by scanners installed throughout the baggage handling system. This enables BEUMER to track luggage throughout the baggage handling system.

poor bag tag print quality from airline-owned printers. BEUMER's performance between September 2024 and August 2025 is shown below in Exhibit 1.

**Exhibit 1: Contract Performance Objectives**

| <b>Performance Standard</b>                                       | <b>Objective</b> | <b>Lowest Recorded Average, 9/24 – 8/25</b> |
|-------------------------------------------------------------------|------------------|---------------------------------------------|
| Availability Rate (System Up Time)                                | 99%              | 99.98%                                      |
| Checked Baggage Inspection System Tracking Accuracy <sup>3</sup>  | 98%              | 100%                                        |
| Sortation Sub-System Tracking Accuracy <sup>4</sup>               | 97%              | Not Data Available                          |
| Automated Tag Reader Read Rate (Outbound) <sup>5</sup>            | 95%              | 94.40%                                      |
| Automated Tag Reader Read Rate (Inbound)                          | 93%              | No Data Available                           |
| Maintenance and Inspection Completion Rate (Monthly) <sup>6</sup> | 98%              | 99.77%                                      |

Source: Airport

**FISCAL IMPACT**

The proposed resolution authorizes a new contract with a total not-to-exceed amount of \$30,000,000 with a three-year term and one option to extend the term by two years. Exhibit 2 details the contract budget for the initial three-year term, which totals approximately \$30,000,000. Amendments to the contract that exceed \$500,000 would require Board of Supervisors approval.

<sup>3</sup> Checked Baggage Inspection System Tracking Accuracy tracks baggage through the security screening process.

<sup>4</sup> Sortation Sub-System Tracking Accuracy tracks baggage from security screening to its final destination (an airplane or baggage claim).

<sup>5</sup> Automated Tag Reader Read Rate measures the percentage of bag tags accurately read by Automated Tag Reading Scanners as they pass through the system.

<sup>6</sup> Maintenance and Inspection Completion Rate refers to the completion rate of preventative maintenance for equipment inspected within a one-month period. The Airport and BEUMER develop a monthly and annual preventative maintenance plan, which details the inspection tasks to be performed.

**Exhibit 2: Proposed Three-Year Contract Budget Projection**

| Category                          | Year 1             | Year 2             | Year 3             | Total               |
|-----------------------------------|--------------------|--------------------|--------------------|---------------------|
| <u>Labor</u>                      |                    |                    |                    |                     |
| Wages and Benefits                | \$7,315,284        | \$7,559,724        | \$7,868,009        | \$22,743,017        |
| Labor Overhead (2%)               | \$146,306          | \$151,194          | \$157,360          | \$454,860           |
| Profit (10% of Labor Cost)        | \$731,528          | \$755,972          | \$786,801          | \$2,274,301         |
| Non-Labor                         | \$332,248          | \$369,598          | \$415,404          | \$1,117,250         |
| As-Needed Services                | \$250,000          | \$250,000          | \$250,000          | \$750,000           |
| <b>Subtotal</b>                   | <b>\$8,775,366</b> | <b>\$9,086,488</b> | <b>\$9,477,574</b> | <b>\$27,339,428</b> |
| Contingency (10%)                 |                    |                    |                    | \$2,660,572         |
| <b>Total Not-To-Exceed Amount</b> |                    |                    |                    | <b>\$30,000,000</b> |

Source: Airport

Year 1's cost is \$8,775,366, which is approximately the same as the final year cost of the current contract.

**Staffing**

The contract funds 35 full-time equivalent positions across all shifts to provide 24/7 coverage. Classifications include management, administrative support, technical staff, and operations staff. Hourly rates outlined in the agreement range from \$59.08 to \$129.63 per hour. Wages are adjusted annually based on prevailing wage changes (for certain classifications) and inflation.

**Funding Source**

Airport operating revenues will fund the proposed contract.

**RECOMMENDATION**

Approve the proposed resolution.



Ricardo Valle

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Enrique Guadianos

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Eva Chuong

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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**

**Agreement between the City and County of San Francisco  
and**

**BEUMER Lifecycle Management LLC  
Airport Contract No. 50409**

This Agreement is made this 16th day of September 2025, in the City and County of San Francisco (“City”), State of California, by and between: **BEUMER** Lifecycle Management LLC (“Contractor”) and City.

**Recitals**

- A. The Airport Commission (“Department” or “Commission”) wishes to obtain Baggage Handling Systems (BHS) Operations, Maintenance, and Repair Services for the San Francisco International Airport (the “Airport”) from Contractor; and
- B. Contractor represents and warrants that it is qualified to perform the Services required by City as set forth under this Agreement; and
- C. On March 5, 2025, Contractor was selected as required by the San Francisco Administrative Code Section 21.5(d) and approved by the Office of Contract Administration under waiver OCAWVR0010870 and
- D. The City’s Airport Commission approved this Agreement by Resolution No. 25-0153 on September 16, 2025 in the amount of \$30,000,000 for a term of three (3) years with a single option to extend the Agreement for two (2) years; and
- E. This is a contract for Services and the Local Business Enterprise (“LBE”) subcontracting participation requirement for the Services has been waived as required under waiver CMD14B0004174; and
- F. Approval for the Agreement was obtained on May 19, 2025 from the Civil Service Commission under PSC number DHRPSC0005187 in the amount of \$60,000,000 for a period not to exceed 60 months; and
- G. The Department has filed Ethics Form 126f4 (Notification of Contract Approval) because this Agreement has a value of \$100,000 or more in a fiscal year and will require the approval of a board on which an elected officer of the City serves; and
- H. The City’s Board of Supervisors (“BOS”) approved this Agreement under San Francisco Charter Section 9.118 by Resolution No. \_\_\_\_\_ on \_\_\_\_\_ in the amount of \$30,000,000 for a term of three (3) years with a single option to extend the Agreement for two (2) years; and

Now, THEREFORE, the parties agree as follows:

**Article 1      Definitions**

The following definitions apply to this Agreement:

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

1.2 “Baggage Handling System (BHS)” means all BHS related structures, including mechanical and electrical equipment and components that are associated with the specified Individual Carrier System (ICS) and conveyor lines of the facility and that were provided and installed by BEUMER Corporation and/or their subcontractors. This encompasses all types of check-in collection conveyors, associated doors or hatches, load/unload conveyors, transport conveyor segments, power turns, merges, make-up devices, fire/security doors, control panels, field control devices (e.g. photo eyes, limit switches, control stations/devices, audio/visual alarms, etc.), motors, motor starters, disconnects, push buttons, ICS specific components and including related BHS computers, controls and control hardware and software, with management and support services required to operate and maintain the specified BHS as described by these documents.

1.3 “Baggage Tub” means a tub formed of molded plastic or other material in to which non-conveyable items are placed while in the BHS.

1.4 “BLM”, “BEUMER”, “Contractor” or “Consultant” means BEUMER Lifecycle Management LLC, 800 Apgar Drive, Somerset, NJ 08873, The Contractor.

1.5 “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 Airport Commission.

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

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

1.8 “Confidential Information”

1.8.1 “Confidential Information” means (a) information designated as confidential (or similar) by the party disclosing such information or which a reasonable person would deem confidential given the nature of the information disclosed; and (b) 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 San Francisco Administrative Code Chapter 12M (“Chapter 12M”). Confidential Information includes, without limitation, City Data.

1.8.2 “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.

1.8.3 “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.

1.8.4 “Consumable” means material or equipment that is necessary for the day-to-day operation and maintenance of the BHS. Material or equipment that carries a warranty from the Original Equipment Manufacturer (OEM) is not considered a consumable.

1.9 “Contractor” means BEUMER Lifecycle Management LLC, 800 Apgar Drive, Somerset, New Jersey 08873.

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 “High Level Control System (HLC)” or “Upper Level Control System (ULC)” mean the servers and associated equipment and software for the Sort Allocation Controller (SAC), Data Historian (DHS), Maintenance Diagnostics System (MDS) and Human Machine Interface (HMI).

1.12 “Individual Carrier System (ICS)” means the CrisBag® tote-based baggage transport and sortation system installed at SFO.

1.13 “Licensed Software” or “Software” means one or more of the installed proprietary computer software programs identified in Appendix A, all related materials, Documentation, all corrections, patches or updates thereto, and other written information received by City from Contractor, whether in machine-readable or printed form.

1.14 “Lower Level Controls (LLC)” means the Programmable Logic Controllers (PLC) and their software and logic that control various BHS components and gather statistics.

1.15 “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.

1.16 “Maintenance Plan” means the document developed and maintained by the Contractor that provides a detailed explanation of how maintenance will be conducted in conformance with the requirements of this Agreement, together with all operating manuals, maintenance manuals, training programs, system assurance monitoring plans and all other requirements and documents developed by the OEM, SFO and the Contractor.

1.17 “Manual Encoding Station (MES)” means the locations where items are directed to the assigned destinations in the BHS using a PC-based system that enables the operator to identify and route items manually.

1.18 “Operations Plan” means the document, developed and updated by the Contractor and approved by SFO, that provides a detailed explanation of how operations will be conducted in compliance with the requirements of this Agreement and the OEM manuals and other documents relevant to the operation and maintenance of the BHS.

1.19 “Original Equipment Manufacturer (OEM)” means the original manufacturer of the BHS component or accessory.

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

1.21 “Preventative Maintenance (PM)” means the scheduled cyclical maintenance of the BHS performed in accordance with the OEM’s requirements and the maintenance plan. PM includes regular inspection, servicing, cleaning, detection and correction of potential failures either before they occur or before they develop in to major defects and/or imminent failures.

1.22 “Programmable Logic Controller (PLC)” means an industrial solid-state computer that monitors inputs and outputs, and makes logic-based decisions for automated BHS processes and components.

1.23 “Routine or Periodic Inspection (RI)” means the periodic and repeated inspections of the BHS conducted in accordance with the OEM’s requirements and the maintenance plan.

1.24 “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, Licensed Software, actions and other requirements to be performed and furnished by Contractor under this Agreement.

1.25 “SFO” or “Airport” means San Francisco International Airport.

1.26 “TSA” means the U.S. Transportation Security Administration.

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

2.1 **Term.** The term of this Agreement shall commence on November 1, 2025 and expire on October 31, 2028, unless earlier terminated as otherwise provided herein.

2.2 **Options to Renew.** City has one (1) option to renew the Agreement for a period of two (2) additional years. City may exercise this option at City’s sole and absolute discretion by modifying this Agreement as provided in Section 11.5, “Modification of this Agreement”.

## **Article 3 Financial Matters**

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

3.1.1 **Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of Section 3.105 of the City’s Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City’s obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor’s assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

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

3.1.2 **Maximum Costs.** City’s payment obligation to Contractor cannot at any time exceed the amount certified by City’s Controller for the purpose and period stated in such certification. Absent an authorized emergency per the City Charter or applicable Code, no City representative is authorized to offer or promise, nor is City required to honor, any offered or promised payments to

Contractor under this Agreement in excess of the certified maximum amount without the Controller having first certified the additional promised amount and the Parties having modified this Agreement as provided in Section 11.5, "Modification of this Agreement."

**3.2 Authorization to Commence Work.** Contractor shall not commence any work under this Agreement until City has issued formal written authorization to proceed, such as a purchase order, task order or notice to proceed.

**3.3 Compensation.**

**3.3.1 Calculation of Charges and Contract Not to Exceed Amount.** The amount of this Agreement shall not exceed \$30,000,000 (Thirty Million Dollars), the breakdown of which appears in Appendix B, "Calculation of Charges." City shall not be liable for interest or late charges for any late payments. City will not honor minimum service order charges for any Services covered by this Agreement.

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

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

**3.3.4 Invoice Format.** Invoices submitted by Contractor under this Agreement must be in a form acceptable to the Controller and City and include a unique invoice number and a specific invoice date. Payment shall be made by City as specified in Section 3.3.8, or in such alternate manner as the Parties have mutually agreed upon in writing. All invoices must show the PeopleSoft Purchase Order ID 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.

**3.3.5 LBE Payment and Utilization Tracking System - Reserved.**

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

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

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

**3.3.7 Grant Funded Contracts - Reserved.**

**3.3.8 Payment Terms.**

(a) **Payment Due Date.** Unless City notifies the Contractor that a dispute exists, Payment shall be made within Forty-Five (45) calendar days, measured from (1) the rendering of the Services or (2) the date of receipt of the invoice, whichever is later. Payment is deemed to be made on the date City issued a check to Contractor or, if Contractor agreed to electronic payment, the date City has posted electronic payment to Contractor.

**(b) Payment Discount Terms - Reserved.**

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

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

**3.6 Payment of Prevailing Wages.**

**3.6.1 Covered Services.** Services to be performed by Contractor under this Agreement will involve the performance of work covered by San Francisco Labor and Employment Code Article 102 (collectively, "Covered Services"), which is incorporated into this Agreement as if fully set forth herein and will apply to any Covered Services performed by Contractor and its subcontractors.

**3.6.2 Wage Rates.** The latest prevailing wage rates for private employment on public contracts as determined by the San Francisco Board of Supervisors and the Director of the California Department of Industrial Relations ("DIR"), as such prevailing wage rates may be changed during the term of this Agreement, are hereby incorporated as provisions of this Agreement. Copies of the applicable prevailing wage rates are available from the City's Office of Labor Standards and Enforcement ("OLSE"). See also <https://sf.gov/resource/2022/citywide-contractor-labor-laws>. Contractor agrees that it shall pay not less than the prevailing wage rates, as determined by the Board of Supervisors and DIR, to all workers employed by Contractor who perform Covered Services under this Agreement.

**3.6.2.1** In accordance with San Francisco Office of Labor Standards and Enforcement determination regarding the appropriate prevailing wage for this Agreement, the correct classifications for determination of prevailing wages for the scope of work set forth in Appendix A are:

- 1.** Carpenter and Related Trades: Millwright – for all labor involving installation, inspection, repair and maintenance of equipment.
- 2.** Laborer and Related Classifications: Group 3 – for all other tasks associated with the execution of this Contract.

**3.6.3 Subcontract Requirements.** Contractor shall insert in every subcontract for the performance of Covered Services under this Agreement a provision requiring subcontractor to pay all persons performing labor in connection with Covered Services under the subcontract not less than the highest general prevailing rate of wages as determined by the Board of Supervisors and DIR for such labor and services.

**3.6.4 Posted Notices.** Contractor shall post job site notices at all job sites where Covered Services are to be performed.

**3.6.5 Payroll Records.** Contractor shall keep or cause to be kept complete and accurate payroll records for all workers performing Covered Services. Such records shall include the name, address and social security number of each worker who provided Covered Services, including

apprentices, their classification, a general description of the Services each worker performed each day, the rate of pay (including rates of contributions for, or costs assumed to provide fringe benefits), daily and weekly number of hours worked, deductions made and actual wages paid. Every subcontractor who shall perform any part of Covered Services shall keep a like record of each person engaged in the execution of Covered Services under the subcontract. All such records shall at all times be available for inspection of and examination by City and its authorized representatives and/or DIR.

**3.6.6 Certified Payrolls.** Contractor shall prepare certified payrolls for the period involved for all employees, including those of subcontractors, who performed Covered Services. Contractor and each subcontractor performing Covered Services shall electronically submit certified payrolls to City and to DIR as specified by City and DIR. Contractor and all subcontractors that will perform Covered Services shall attend a training session on the preparation and electronic submission of certified payroll records provided by City. Contractor and applicable subcontractors shall comply with electronic certified payroll requirements (including training) at no additional cost to City.

**3.6.7 Compliance Monitoring.** Covered Services performed under this Agreement are subject to compliance monitoring and enforcement of prevailing wage requirements by DIR and/or OLSE. Contractor and any subcontractors performing Covered Services will cooperate fully with DIR and/or OLSE and other City employees and agents authorized to assist in the administration and enforcement of the prevailing wage requirements. Contractor agrees that (i) OLSE shall have the right to engage in random inspections of job sites and have access to the employees of the Contractor, employee time sheets, inspection logs, payroll records and employee paychecks; (ii) Contractor shall maintain a sign-in and sign-out sheet showing which employees are present on the job site; (iii) Contractor shall prominently post at each job-site a sign informing employees that the project is subject to City's prevailing wage requirements and that these requirements are enforced by OLSE; and (iv) OLSE may audit such records of Contractor as it reasonably deems necessary. Failure to comply with these requirements may result in penalties and forfeitures under the California Labor Code, including Section 1776(g), as amended from time to time, San Francisco Administrative Code Section 6.22(e), and San Francisco Labor and Employment Code Article 102, as applicable.

**3.6.8 Remedies.** Should Contractor, or any subcontractor performing Covered Services, fail or neglect to pay to the persons who perform Covered Services under this Agreement or subcontract for the Covered Services, the general prevailing rate of wages as herein specified, Contractor shall forfeit, and in the case of any subcontractor so failing or neglecting to pay said wage, Contractor and the subcontractor shall jointly and severally forfeit, back wages due plus the penalties set forth in Administrative Code Section 6.22(e) and/or California Labor Code Section 1775. City, when certifying any payment which may become due under the terms of this Agreement, shall deduct from the amount that would otherwise be due on such payment the amount of said forfeiture.

## **Article 4 Services and Resources**

**4.1 Services Contractor Agrees to Perform.** Contractor agrees to perform the Services stated in **Appendix A, "Scope of Services"**. Officers and employees of City are not authorized to request, and City is not required to compensate for Services beyond those stated.

Appendix A includes a defined Scope of Services and as-needed Services. As-needed Services shall be performed by Contractor only upon request by City through the issuance of a written task order signed by City and Contractor, which task order shall be made a part of and incorporated into the Agreement as though fully set forth in this Agreement without the need for a formal amendment to the Agreement. Only the Airport Director or the Airport Director's designee has the authority to execute task orders for the City. Task orders shall be executed on Contractor's behalf by an authorized representative of Contractor. Each task order shall be on the City's task order template and shall include a description of the as-needed

Services, the deliverables, schedule for performance, cost, and method and timing of payment. All Contractor costs associated with the development of any task order shall be borne by Contractor. The calculation of cost and the method and timing of payment for all task orders shall be in accordance with Appendix B, "Calculation of Charges," and Article 3, "Financial Matters." The cumulative total compensation due to Contractor for all task orders issued under this Agreement shall not exceed the amount of compensation set forth for as-needed Services in Appendix B, "Calculation of Charges." Contractor shall only be compensated for as-needed Services performed under an authorized, executed task order as detailed in this Section 4.1. All task orders are governed by and subject to the terms and conditions of this Agreement.

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

**4.3 Subcontracting.** Contractor may subcontract portions of the Services only upon prior written approval of City. Contractor is responsible for its subcontractors throughout the course of the work required to perform the Services. All subcontracts must incorporate the terms of Article 10 "Additional Requirements Incorporated by Reference" of this Agreement, unless inapplicable. Neither Party shall, on the basis of this Agreement, contract on behalf of, or in the name of, the other Party. Any agreement made in violation of this provision shall be null and void. City's execution of this Agreement constitutes its approval of the subcontractors listed below and/or in appendices.

- Lloyd W. Aubrey Company Inc.
- Prime Flight Aviation Services
- ABM Industries

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

**4.4.1 Independent Contractor.** For the purposes of this Section 4.4, "Contractor" shall be deemed to include not only Contractor, but also any agent or employee of Contractor. Contractor acknowledges and agrees that at all times, Contractor is an independent contractor and is wholly responsible for the manner and means by which it performs the Services and work required under this Agreement. Contractor, and its agents and employees, will not represent or hold themselves out to be employees of City at any time. Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor is liable for its acts and omissions. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing Services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor, or any of its agents or employees. Contractor agrees to maintain and make available to City, upon request and during regular business hours, accurate books and accounting records demonstrating Contractor's compliance with this Section. Should City determine that Contractor is not performing in accordance with the requirements of this Section, City shall provide Contractor with written notice of such failure. Within five (5) business days of Contractor's receipt of such notice, and in accordance with Contractor policy and procedure, Contractor shall remedy the deficiency. Notwithstanding, if City believes that an action of Contractor warrants immediate remedial action by Contractor, City shall contact Contractor and provide Contractor in writing with the reason for requesting such immediate action.



**4.4.2 Payment of Employment Taxes and Other Expenses.** Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past Services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability). A determination of employment status under this Section 4.4 shall be solely limited to the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, Contractor agrees to indemnify and hold harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all claims, losses, costs, damages, and expenses, including attorneys' fees, arising from this section, in accordance with Section 5.2 hereof.

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

**4.6 Warranty.** Contractor warrants to City that during the terms of this Agreement and for one (1) year after the expiration of this Agreement, the Services will be performed with the degree of skill and care that is required by current, good and sound professional procedures and practices, and in conformance with generally accepted professional standards prevailing at the time the Services are performed so as to ensure that all Services performed are correct and appropriate for the purposes contemplated in this Agreement. The City's exclusive remedy and Contractor's sole liability under this warranty is the reperformance of the Services at the sole cost and expense of Contractor. TO THE FULLEST EXTENT ALLOWED BY LAW, THE WARRANTIES AND REMEDIES SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED BY USAGE, CUSTOM OR THE TRADE, FACT, OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WHICH ARE EXPRESSLY DISCLAIMED. CONTRACTOR'S WARRANTIES IN THE AGREEMENT RUN ONLY TO THE CITY AND ARE NOT EXTENDED TO ANY THIRD PARTY, INCLUDING ANY SUBCONTRACTOR OR AGENT OF THE CITY. CONTRACTOR NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE SERVICES.

**4.7 Liquidated Damages - Reserved.**

**4.8 Performance Bond - Reserved.**

**4.9 Fidelity Bond - Reserved.**

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

## **Article 5 Insurance and Indemnity**

### **5.1 Insurance.**

**5.1.1 Required Coverages.** Without in any way limiting Contractor's liability under the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

- (a) Commercial General Liability Insurance with limits not less than **\$8,000,000** each occurrence for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations.
- (b) Commercial Automobile Liability Insurance with limits not less than **\$4,000,000** each occurrence, "Combined Single Limit" for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.
- (c) Workers' Compensation Liability Insurance, in statutory amounts, with Employers' Liability Limits not less than **\$1,000,000** each accident, injury, or illness.
- (d) Professional Liability Insurance – Reserved.
- (e) Technology Errors and Omissions Liability Insurance, with limits of **\$5,000,000** for each claim and each loss. The policy shall at a minimum cover professional misconduct or lack of the requisite skill required for the performance of Services defined in this Agreement and shall also provide coverage for the following risks:
  - (i) Network security liability arising from the unauthorized access to, use of, or tampering with computers or computer systems, including hacker attacks; and
  - (ii) Liability arising from the introduction of any form of malicious software including computer viruses into, or otherwise causing damage to City's or third person's computer, computer system, network, or similar computer-related property and the data, software, and programs thereon.
- (f) Cyber and Privacy Liability Insurance with limits of not less than **\$5,000,000** per claim. Such insurance shall include coverage for liability arising from theft, dissemination, and/or use of confidential information, including but not limited to, bank and credit card account information or personal information, such as name, address, social security numbers, protected health information or other personally identifying information, stored or transmitted in electronic form.

### **5.1.2 Additional Insured.**

- (a) The Commercial General Liability Insurance policy must include as Additional Insured the City and County of San Francisco, the Airport Commission and its members, and all of their officers, directors, agents and employees.
- (b) The Commercial Automobile Liability Insurance policy must include as Additional Insured the City and County of San Francisco, the Airport Commission and its members, and all of their officers, directors, agents and employees.
- (c) The Commercial Automobile Liability Insurance policy include (i) Auto Pollution Additional Insured Endorsement naming as Additional Insured the City and County of San Francisco, the Airport Commission and its members, and all of their officers, directors, agents and employees; and (ii) Form MCS-90 for Motor Carrier Policies of Insurance for Public Liability under Sections 29 and 30 of the Motor Carrier Act of 1980.

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

**5.1.4 Primary Insurance.**

(a) The Commercial General Liability Insurance policy shall provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(b) The Commercial Automobile Liability Insurance policy shall provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(c)

**5.1.5 Other Insurance Requirements.**

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

(b) Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, be maintained for a period of three (3) years beyond the expiration of this Agreement, to the effect that, should occurrences during the Agreement term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

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

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

(e) Before commencing any Services, Contractor shall furnish to City certificates of insurance including additional insured and waiver of subrogation status, as required, with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Approval of the insurance by City shall not relieve or decrease Contractor's liability hereunder.

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

**5.2 Indemnification.**

**5.2.1** Contractor shall indemnify and hold harmless City and its officers, agents and employees from, and, if requested, shall defend them from and against any and all liabilities (legal, contractual, or otherwise), losses, damages, costs, expenses, or claims for injury or damages

(collectively, "Claims"), arising from or in any way connected with Contractor's performance of the Agreement, including but not limited to, any: (i) injury to or death of a person, including employees of City or Contractor; (ii) loss of or damage to property; (iii) violation of local, state, or federal common law, statute or regulation, including but not limited to privacy or personal identifiable information, health information, disability and labor laws or regulations; (iv) strict liability imposed by any law or regulation; or (v) losses arising from Contractor's execution of subcontracts not in accordance with the requirements of this Agreement applicable to subcontractors; except to the extent such indemnity is void or otherwise unenforceable under applicable law, and except where such Claims are the result of the active negligence or willful misconduct of City and are not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on, Contractor, its subcontractors, or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants, experts, and related costs, and City's costs of investigating any claims against City.

5.2.2 In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any Claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such Claim is tendered to Contractor by City and continues at all times thereafter. City agrees to give Contractor prompt notice of any claim. City agrees to provide reasonable assistance to the Contractor (at Contractor's expense).

5.2.3 Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons arising directly or indirectly from the receipt by City, or any of its officers or agents, of Contractor's Services.

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

5.2.5 **Severability Clause Specific to Indemnification and/or Defense Obligations.** To the extent any Court of competent jurisdiction or law invalidates any word, clause, phrase, or sentence in this Agreement that word, clause, phrase, or sentence, and no other portion, shall be deemed removed from this Section. All other words, clauses, phrases and/or sentences remain enforceable to the fullest extent permitted by law.

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

6.1 **Liability of City.** CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 3.3.1, "CALCULATION OF CHARGES AND CONTRACT NOT TO EXCEED AMOUNT," OF THIS AGREEMENT AS THAT AMOUNT MAY BE CHANGED PURSUANT TO THE TERMS 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. THE FOREGOING LIMITATIONS OF LIABILITY SHALL NOT APPLY TO ANY CLAIM CAUSED BY THE CITY'S GROSS NEGLIGENCE, RECKLESS CONDUCT OR WILLFUL ACTS OR OMISSIONS

**6.2 Liability of Contractor.** NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, CONTRACTOR'S CUMULATIVE LIABILITY FOR ALL DAMAGES, LOSSES OR ANY CLAIMS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE TOTAL COMPENSATION AMOUNT PROVIDED IN SECTION 3.3.1, CALCULATION OF CHARGES AND CONTRACT NOT TO EXCEED AMOUNT." AS THAT AMOUNT MAY BE CHANGED PURSUANT TO THE TERMS OF THIS AGREEMENT. CONTRACTOR'S LIABILITY LIMIT SET FORTH HEREIN SHALL NOT APPLY TO: (1) DAMAGES, LIABILITY OR CLAIMS CAUSED BY CONTRACTOR'S GROSS NEGLIGENCE, RECKLESS CONDUCT OR WILLFUL ACTS OR OMISSIONS; (2) INSURANCE PROCEEDS ACTUALLY RECEIVED FOR CLAIMS OR GENERAL DAMAGES THAT FALL WITHIN THE INSURANCE COVERAGE REQUIRED UNDER THIS AGREEMENT; (3) STATUTORY FINES CAUSED BY CONTRACTOR'S VIOLATION OF FEDERAL, STATE AND/OR LOCAL LAWS, INCLUDING IN PARTICULAR THOSE INCLUDED IN THIS AGREEMENT AND REGARDING PRIVACY AND/OR HEALTH INFORMATION; (4) CONTRACTOR'S OBLIGATIONS TO INDEMNIFY AND DEFEND CITY PURSUANT TO THE GENERAL INDEMNITY CLAUSE AND FOR INTELLECTUAL PROPERTY INFRINGEMENT AS SET FORTH IN SECTION 5.2; (5) WRONGFUL DEATH CAUSED BY CONTRACTOR; AND (6) PUNITIVE DAMAGES ASSESSED AGAINST CONTRACTOR OR ANY OF ITS SUBCONTRACTORS; (7) CONTRACTOR'S WARRANTIES UNDER THIS AGREEMENT.

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

**6.4 Liability for Incidental and Consequential Damage.** NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CONTRACTOR BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, RESULTING IN WHOLE OR IN PART FROM CONTRACTOR'S ACTS OR OMISSIONS. HOWEVER, CONTRACTOR SHALL BE LIABLE FOR INCIDENTAL AND CONSEQUENTIAL DAMAGES RESULTING FROM (1) DAMAGES CAUSED BY CONTRACTOR'S GROSS NEGLIGENCE, RECKLESS CONDUCT OR WILLFUL ACTS OR OMISSIONS, (2) CLAIMS OR DAMAGES THAT FALL WITHIN THE INSURANCE COVERAGE OF THIS AGREEMENT, (3) STATUTORY FINES, EXPENSES OR DAMAGES, CAUSED BY CONTRACTOR'S VIOLATION OF FEDERAL, STATE AND/OR LOCAL LAWS, IN PARTICULAR THOSE INCLUDED IN THIS AGREEMENT AND REGARDING PRIVACY AND/OR HEALTH INFORMATION, (4) CONTRACTOR'S OBLIGATION TO INDEMNIFY AND DEFEND CITY PURSUANT TO THE GENERAL INDEMNITY CLAUSE AND FOR INTELLECTUAL PROPERTY INFRINGEMENT AS SET FORTH IN SECTION 5.2(5) WRONGFUL DEATH CAUSED BY CONTRACTOR.

## **Article 7      Payment of Taxes**

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

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

**7.3 Withholding.** Contractor agrees that it is obligated to pay all amounts due to City under the San Francisco Business and Tax Regulations Code during the term of this Agreement. Under Section 6.10-2 of the San Francisco Business and Tax Regulations Code, Contractor further acknowledges and agrees that City may withhold any payments due to Contractor under this Agreement if Contractor is delinquent in the payment of any amount required to be paid to City under the San Francisco Business and Tax Regulations Code. Any payments withheld under this paragraph shall be made to Contractor, without interest, upon Contractor coming back into compliance with its obligations.

## **Article 8 Termination and Default**

### **8.1 Termination for Convenience.**

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

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

(a) Completing performance of any Services that City requires Contractor to complete prior to the Termination Date.

(b) Halting the performance of all Services on and after the Termination Date.

(c) Cancelling all existing orders and subcontracts by the Termination Date, and not placing any further orders or subcontracts for materials, Services, equipment or other items.

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

(e) Subject to City’s approval, settling all outstanding liabilities and all claims arising out of the cancelled orders and subcontracts.

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

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

(a) The reasonable cost to Contractor, without profit, for all Services provided prior to the Termination Date, for which City has not already made payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for Services. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

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

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

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

8.1.4 In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the Termination Date, except for those costs specifically listed in Section 8.1.3. Such non-recoverable costs include, but are not limited to, anticipated profits on the Services under this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under Section 8.1.3.

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

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

## 8.2 Termination for Default; Remedies.

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

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

|           |                          |            |                                 |
|-----------|--------------------------|------------|---------------------------------|
| 3.5       | Submitting False Claims. | 10.10      | Alcohol and Drug-Free Workplace |
| 4.5       | Assignment               | 10.13      | Working with Minors             |
| Article 5 | Insurance and Indemnity  | 11.10      | Compliance with Laws            |
| Article 7 | Payment of Taxes         | Article 13 | Data and Security               |

(b) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, including any obligation imposed by ordinance or statute and incorporated by reference herein, and such default is not cured within ten days after written notice thereof from City to Contractor or, if given the nature of the default, it is not capable of cure within

said ten-day period using commercially reasonable means, as determined by mutual agreement of the Parties, Contractor fails to commence cure within the ten-day period. If Contractor defaults a second time in the same manner as a prior default cured by Contractor, City may in its sole discretion immediately terminate the Agreement for default or grant an additional period not to exceed five days for Contractor to cure the default.

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

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

**8.2.2 Default Remedies.** On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, where applicable, if Contractor fails to cure the default as set forth in this Section 8, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default. Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor: (i) all damages, losses, costs or expenses incurred by City as a result of an Event of Default; and (ii) any liquidated damages levied upon Contractor under the terms of this Agreement; and (iii), any damages imposed by any ordinance or statute that is incorporated into this Agreement by reference or into any agreement with City.

**8.2.3** Except as otherwise set forth in this 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. Except as otherwise set forth in this Agreement, nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

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

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

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

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



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

8.4.2 Subject to the survival of the Sections identified in Section 8.4.1, above, if this Agreement is terminated prior to expiration of the term specified in Article 2, this Agreement shall be of no further force or effect. Upon receipt of payment therefor, Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City.

## **Article 9 Rights in Deliverables**

9.1 **Ownership of Results.** Subject to Section 9.2, the Deliverables, including any drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors for the purposes of this Agreement, shall become the property of and will be transmitted to City. However, unless expressly prohibited elsewhere in this Agreement, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

9.2 **Works for Hire.** As of the effective date of this Agreement, the Parties agree that Contractor's Deliverables, as defined in this Agreement, do not include Works for Hire. If, in connection with Services, Contractor or its subcontractors agree, in writing, to create Works for Hire specifically for the City, including, without limitation, systems designs, software, source codes, or any other original works of authorship, whether in digital or any other format, 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 shall be the property of the City. If any Works for Hire created by Contractor or its subcontractor(s) under this Agreement are ever determined not to be Works for Hire under U.S. law, Contractor hereby assigns all Contractor's copyrights to such Deliverables to the City, agrees to provide any material and execute any documents necessary to effectuate such assignment, and agrees to include a clause in every subcontract imposing the same duties upon subcontractor(s). With City's prior written approval, Contractor and its subcontractor(s) may retain and use copies of such works for reference and as documentation of their respective experience and capabilities provided that any such use is in conformance with the confidentiality provisions of this Agreement.

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

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

elsewhere in the Agreement (“Mandatory City Requirements”) are available at:  
[https://codelibrary.amlegal.com/codes/san\\_francisco/latest/overview](https://codelibrary.amlegal.com/codes/san_francisco/latest/overview) .

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

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

**10.4 Consideration of Salary History.** Contractor shall comply with San Francisco Labor and Employment Code Article 141, the Consideration of Salary History Ordinance or “Pay Parity Act.” Contractor is prohibited from considering current or past salary of an applicant in determining whether to hire the applicant or what salary to offer the applicant to the extent that such applicant is applying for employment to be performed on this Agreement or in furtherance of this Agreement, and whose application, in whole or part, will be solicited, received, processed or considered, whether or not through an interview, in City or on City property. The ordinance also prohibits employers from (1) asking such applicants about their current or past salary or (2) disclosing a current or former employee’s salary history without that employee’s authorization unless the salary history is publicly available. Contractor is subject to the enforcement and penalty provisions in Article 141. Information about and the text of Article 141 is available on the web at <https://sfgov.org/olse/consideration-salary-history> . Contractor is required to comply with all of the applicable provisions of Article 141, irrespective of the listing of obligations in this Section.

#### **10.5 Nondiscrimination Requirements.**

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

**10.5.2 Nondiscrimination in the Provision of Employee Benefits.** San Francisco Labor and Employment Code Article 131.2 applies to this Agreement. Contractor does not as of the date of this Agreement, and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Labor and Employment Code Article 131.2.

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

**10.7 Minimum Compensation Ordinance.** If Labor and Employment Code Article 111 applies to this Agreement, Contractor shall pay covered employees no less than the minimum compensation required by San Francisco Labor and Employment Code Article 111, including a minimum hourly gross compensation, compensated time off, and uncompensated time off. Contractor is subject to

the enforcement and penalty provisions in Article 111. Information about and the text of Article 111 is available on the web at <http://sfgov.org/olse/mco>. Contractor is required to comply with all of the applicable provisions of Article 111, irrespective of the listing of obligations in this Section. By signing and executing this Agreement, Contractor certifies that it complies with Article 111.

**10.8 Health Care Accountability Ordinance.** If Labor and Employment Code Article 121 applies to this contract, Contractor shall comply with the requirements of Article 121. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Article 121.3 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. Information about and the text of Article 121, as well as the Health Commission's minimum standards, is available on the web at <http://sfgov.org/olse/hcao>. Contractor is subject to the enforcement and penalty provisions in Article 121. Any Subcontract entered into by Contractor shall require any Subcontractor with 20 or more employees to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. If the Airport's Quality Standards Program applies to this Agreement, see Section 12.8 for further requirements related to the Healthy Airport Ordinance.

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

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

**10.11 Limitations on Contributions.** By executing this Agreement, Contractor acknowledges its obligations under Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with, or is seeking a contract with, any department of City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, for a grant, loan or loan guarantee, or for a development agreement, from making any campaign contribution to (i) a City elected official if the contract must be approved by that official, a board on which that official serves, or the board of a state agency on which an appointee of that official serves; (ii) a candidate for that City elective office; or (iii) a committee controlled by such elected official or a candidate for that office, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve months after the date City approves the contract. The prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than ten percent (10%) in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Contractor certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the contract, and has provided the names of the persons required to be informed to the City department with whom it is contracting.

**10.12 Slavery Era Disclosure - Reserved.**

**10.13 Working with Minors - Reserved.**

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

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

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

**10.15 Nonprofit Contractor Requirements - Reserved.**

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

**10.17 Distribution of Beverages and Water.**

10.17.1 **Sugar-Sweetened Beverage Prohibition** - Not applicable.

10.17.2 **Packaged Water Prohibition.** Contractor agrees that it shall not sell, provide, or otherwise distribute Packaged Water, as defined by San Francisco Environment Code Chapter 24, as part of its performance of this Agreement.

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

**Article 11 General Provisions**

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

|          |                                                                                                                                                                                                                                                                   |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To City: | Enrique Guadamos<br>Director, Terminal Systems & Wayfinding<br>San Francisco International Airport<br>P.O. Box 8097<br>San Francisco, CA 94128<br>Email: <a href="mailto:enrique.guadamos@flysfo.com">enrique.guadamos@flysfo.com</a><br>Phone: +1 (650) 821-5145 |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                   |                                                                                                                                                                                                                            |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To<br>Contractor: | Mark J. Sibley<br>President<br>BEUMER Lifecycle Management LLC<br>800 Apgar Drive<br>Somerset NJ, 08873<br>Email: <a href="mailto:mark.sibley@BEUMERgroup.com">mark.sibley@BEUMERgroup.com</a><br>Phone: +1 (732) 893-2901 |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Any notice of default or data breach must be sent by certified mail or other trackable written communication, and also by e-mail, with the sender using the receipt notice feature. Either Party may change the address to which notice is to be sent by giving written notice thereof to the other Party at least ten (10) days prior to the effective date of such change. If email notification is used, the sender must specify a receipt notice.

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

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

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

11.2.2 Contractor shall adhere to the requirements of (i) the Americans with Disabilities Act of 1990, as amended (42 U.S.C. Sec. 1201 et seq.), (ii) Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. Sec. 794d), (iii) Section 255 of the Communications Act Guidelines, (iv) the applicable Revised Section 508 Standards published by the U.S. Access Board (<https://www.access-board.gov/ict/>), and (v) the Web Content Accessibility Guidelines (WCAG) 2.1, Level AA, as amended from time to time. Contractor shall ensure that all information content and technology provided under this Agreement fully conforms to the applicable Revised 508 Standard, as amended from time to time, prior to delivery and before the City's final acceptance of the Services and/or Deliverables.

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

11.4 **Sunshine Ordinance.** Contractor acknowledges that this Agreement and all records related to its formation, Contractor's performance of Services, and City's payment are subject to the California Public Records Act, (California Government Code § 7920.000 et seq.), and the San Francisco Sunshine Ordinance, (San Francisco Administrative Code Chapter 67). Such records are subject to public inspection and copying unless exempt from disclosure under federal, state, or local law.

11.5 **Modification of this Agreement.** This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement.

## 11.6 Dispute Resolution Procedure.

11.6.1 **Negotiation; Alternative Dispute Resolution.** The Parties will attempt in good faith to resolve any dispute or controversy arising out of or relating to the performance of services under this Agreement. Disputes will not be subject to binding arbitration. The status of any dispute or controversy notwithstanding, provided City is not in breach of its payment obligations, Contractor shall

proceed diligently with the performance of its obligations under this Agreement in accordance with the Agreement and the written directions of City. Neither Party will be entitled to legal fees or costs for matters resolved under this Section.

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

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

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

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

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

**11.11 Severability.** Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (i) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (ii) such provision shall be enforced to the maximum extent possible so as to effect the intent of the Parties and shall be reformed without further action by the Parties to the extent necessary to make such provision valid and enforceable. WITHOUT LIMITING THE FOREGOING, IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT EACH AND EVERY PROVISION OF THE AGREEMENT THAT PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTIES, EXCLUSION OF DAMAGES, WITHHOLDING AND DEDUCTING PAYMENTS, PREVAILING WAGES, QUALIFIED PERSONNEL, INDEMNITY, INCIDENTAL AND CONSEQUENTIAL DAMAGES, TERMINATION FOR CONVENIENCE AND TERMINATION FOR DEFAULT IS INTENDED BY THE PARTIES TO BE SEVERABLE AND INDEPENDENT OF ANY OTHER PROVISION AND TO BE ENFORCED AS SUCH. FURTHER, IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT IN THE EVENT ANY REMEDY PROVIDED UNDER THE AGREEMENT IS DETERMINED TO HAVE FAILED OF ITS ESSENTIAL PURPOSE, ALL EXCLUSIONS FROM SEVERABILITY SET FORTH IN THIS PARAGRAPH 11.11

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

**11.13 Order of Precedence.** The Parties agree that this Agreement, including all appendices, sets forth the Parties' complete agreement. If the Appendices to this Agreement include any standard printed terms from Contractor, Contractor agrees that in the event of discrepancy, inconsistency, gap,

ambiguity, or conflicting language between City's terms and Contractor's printed terms attached, City's terms in this Agreement shall take precedence, followed by the procurement issued by the department (if any), Contractor's proposal, and Contractor's printed terms, respectively. Any hyperlinked terms included in Contractor's terms shall have no legal effect.

**11.14 Notification of Legal Requests.** Contractor shall immediately notify City upon receipt of any subpoenas, service of process, litigation holds, discovery requests and other legal requests ("Legal Requests") related to any City Data under this Agreement, and in no event later than twenty-four (24) hours after Contractor receives the request. Contractor may provide notices to the City of the abovementioned requests by email. Contractor shall not respond to Legal Requests related to City without first notifying City other than to notify the requestor that the information sought is potentially covered under a non-disclosure agreement. Contractor shall retain and preserve City Data in accordance with City's instruction and requests, including, without limitation, any retention schedules and/or litigation hold orders provided by City to Contractor, independent of where City Data is stored.

#### **11.15 Force Majeure.**

**11.15.1 Liability.** No Party shall be liable for delay of its obligations under this Agreement if and to the extent such delay is caused, directly or indirectly, by: fire, flood, earthquakes of a magnitude 5.5 on the Richter Scale, elements of nature or acts of God, riots, civil disorders, pandemics, or any other cause beyond the reasonable control of such Party (a "Force Majeure Event"). In the case of a Force Majeure Event, Contractor shall promptly commence disaster recovery services as described in Appendix A, Section 4.4.3 of this Agreement.

**11.15.2 Duration.** In a Force Majeure Event, the non-performing Party shall be excused from further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such Party continues to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. Any Party so delayed in its performance shall immediately notify the Party to whom performance is due by telephone, to be confirmed in writing two (2) days of the inception of such delay, unless either of the parties sustains a complete failure of electronic communication. In that event the Party delayed by the Force Majeure event shall confirm in writing at the earliest possible time after communications have been restored and describe at a reasonable level of detail the circumstances causing such delay. If Force Majeure conditions prevent the Party delayed from investigating the circumstances causing delay, that Party shall explain that in a written communication to the other Party and shall undertake an investigation as soon as possible.

**11.15.3 Effect.** If a Force Majeure Event substantially prevents, hinders, or delays performance of the Services as critical for more than fifteen (15) consecutive days, then at City's option: (i) City may terminate any portion of this Agreement so affected and the charges payable hereunder shall be equitably adjusted to reflect those terminated Services; or (ii) City may terminate this Agreement for convenience, as set forth in Section 8.1 of this Agreement.

## **Article 12 Airport Commission Specific Terms**

**12.1 Airport Commission Rules and Regulations.** Contractor agrees to comply with the Airport Commission's Rules and Regulations for the San Francisco International Airport ("Airport Rules and Regulations"), as amended from time to time. A copy of the current Rules and Regulations can be found at: <http://www.flysfo.com/about-sfo/the-organization/rules-and-regulations>.

**12.2 Airport Intellectual Property.** Under 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. No proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport in

connection with this Agreement (including subcontractors and subtenants) may use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Airport Director's prior written consent.

**12.3 Labor Peace/Card Check Rule.** Without limiting the generality of other provisions in this Agreement requiring Contractor to comply with all Airport Rules and Regulations, for all Covered Contracts, Contractor shall comply with the Airport's Labor Peace/Card Check Rule, a revised version of which was adopted as Rule 12.1 on February 7, 2023 by Airport Commission Resolution No. 23-0018 (as amended the "Labor Peace/Card Check Rule"). To comply with the Labor Peace/Card Check Rule, each Covered Employer shall comply with the Labor Peace/Card Check Rule, Section C, Covered Employer Duties, Items 1-13. If the Airport determines that Contractor violated the Labor Peace/Card Check Rule, the Airport shall have the option to terminate this Agreement, in addition to exercising all other remedies available to the Airport. Capitalized terms not defined in this provision are defined in the Labor Peace/Card Check Rule.

**12.4 Federal Fair Labor Standards Act.** This Agreement incorporates by reference the provisions of 29 USC Section 201, the Federal Fair Labor Standards Act ("FLSA"), with the same force and effect as if set forth in this Agreement. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers. Contractor has full responsibility to monitor compliance with the FLSA and its implementing regulations. Contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

**12.5 Occupational Safety and Health Act of 1970.** This Agreement incorporates by reference the requirements of 29 CFR Section 1910, Occupational Safety and Health Act of 1970, with the same force and effect as if set forth in this Agreement. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Contractor retains full responsibility to monitor its compliance and their subcontractors' compliance with the applicable requirements of the Occupational Safety and Health Act of 1970. Contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

**12.6 Federal Nondiscrimination Requirements.** During the performance of this Agreement, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as "Contractor") agrees as follows:

**12.6.1 Compliance with Regulations.** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.

**12.6.2 Nondiscrimination.** The Contractor, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, or national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the Agreement covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

**12.6.3 Solicitations for Subcontracts.** Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Contractor of Contractor's obligations under this



Agreement and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

**12.6.4 Information and Reports.** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Airport or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Airport or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

**12.6.5 Sanctions for Noncompliance.** In the event of a Contractor's noncompliance with the Non-discrimination provisions of this Agreement, the Airport will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- (a) Withholding payments to the contractor under the contract until the contractor complies; and/or
- (b) Cancelling, terminating, or suspending a contract, in whole or in part.

**12.6.6 Incorporation of Provisions.** The Contractor will include the provisions of paragraphs 12.6.1 through 12.6.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Airport or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Airport to enter into any litigation to protect the interests of the Airport. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

**12.6.7 Title VI List of Pertinent Nondiscrimination Acts and Authorities.** During the performance of this Agreement, Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC §2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USC §4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 USC. §794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC §6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-259), (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms

“programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, *et seq*) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 USC §47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (“LEP”). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. 74087 (2005));
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681 *et seq.*).

## 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, 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 hours of being published in the KEV catalog, and critical vulnerabilities in all other information technology must be addressed within three business days of being published.
- High risk vulnerabilities associated with internet-facing services must be remediated within three days of being published in the KEV catalog, and high-risk vulnerabilities in all other information technology must be addressed within fourteen business days of being published.
- For the purposes of this section, “remediation” means to “reduce the significant risk of known exploited vulnerabilities” as these terms are used by DHS/CISA in relationship to the KEV catalog.

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://sfgov.org/oca/sites/default/files/OCA%20Technology%20Purchasing%20Guidelines%20v9.1\\_8-](https://sfgov.org/oca/sites/default/files/OCA%20Technology%20Purchasing%20Guidelines%20v9.1_8-)

[1-21.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.

**12.7.6 Critical Systems.** For purposes of this Agreement, a Critical System is defined to include, without limitation, any software, system, service or network-enabled device which, if compromised, has the potential to adversely impact Airport Operations or the TSA-approved Airport Security Program, or which has been designated as a Critical System under Department of Homeland Security (DHS) Transportation Security Administration (TSA) Joint Emergency Amendment (EA) 23-01 (“TSA Joint EA 23-01”) or National Amendment 22-01, as may be amended by DHS/TSA. The following requirements apply if Contractor will or may provide or potentially affect any Critical Systems in the performance of this Agreement:

- Any technology, including without limitation, all software, hardware, provided or maintained under this Agreement by Contractor that is designated as a Critical System is required to meet all DHS/TSA cybersecurity requirements specified under “Attachment 2” of TSA Joint EA 23-01 throughout the term of this Agreement, as may be amended by DHS/TSA.
- All costs associated with Contractor efforts to establish and/or maintain ongoing compliance with these TSA requirements are the sole responsibility of the Contractor.
- Contractor shall provide City with the records necessary to establish ongoing compliance upon request.
- Contractor acknowledges that all such compliance related records may be confidentially shared with TSA as part of the Airport’s ongoing obligations under 14 CFR Part 139 and 49 CFR Parts 15 and 1520.
- “Attachment 2” of TSA Joint EA 23-01, when provided to Contractor by the City, is to be protected by Contractor as City’s confidential information and Contractor agrees to securely destroy all copies as soon as no longer needed and in all cases prior to the end of the term of this Agreement.
- A copy of “Attachment 2” of TSA Joint EA 23-01, in its entirety, is available upon execution of the City’s “Non-Disclosure Agreement for Sensitive Security Information.”
- Contractor shall not delegate, novate, or assign any of its TSA Joint EA 23-01 compliance-related obligations under this Agreement without the written approval of the City.
- The terms and conditions of this Agreement, including but not limited to all TSA Joint EA 23-01 compliance obligations, apply to all third-party software incorporated by Contractor into any part of any technology or services provided to the City under this Agreement.
- All TSA Joint EA 23-01 cybersecurity requirements for Critical Systems are in addition to all applicable cybersecurity requirements specified elsewhere in this Agreement.

**12.7.7 Data-flow Diagram.** Contractor shall provide and maintain an accurate network data-flow diagram showing the relationships of reliance within and among all network-enabled components that are required for the services and technology being provided under this Agreement to operate as intended. The data-flow diagram must include the network Transmission Control Protocol (“TCP”) and User Datagram Protocol (“UDP”) ports being used, and the name of the application associated with each data flow. (For purposes of this Agreement, these terms are used in accordance with industry recognized standards concerning the proper operation of Internet Protocol (“IP”) networks as defined under the Internet Engineering Task Force RFC 9293, “Transmission Control Protocol”, etc.)

**12.7.8** City acknowledges and agrees that some provisions of this Section 12.7 have been proposed by the City after Contractor has provided its products and services and that as such, related costs are not included in this Agreement and that the requirements are not part of the Contractor’s current offering. City and Contractor agree that Contractor will provide those related costs within the first six

months of the Agreement, and funds for such costs can be addressed through the as-needed services authorized under this Agreement.

**12.8 Quality Standards Program.** This Agreement is subject to the Airport's Quality Standards Program (QSP), which applies to firms which employ personnel involved in performing services which directly impact safety and/or security at the Airport ("QSP Covered Employers"). QSP Covered Employers are required to maintain a minimum level of compensation and benefits offering to employees engaged in services covered under the QSP, among other things. With certain limited exceptions, QSP Covered Employers must pay a wage rate at least equal to the QSP wage rate, which is higher than the wage rate required under the Minimum Compensation Ordinance (see Section 10.7 above) and provide health care benefits compliant with the Healthy Airport Ordinance (HAO), which is part of the Health Care Accountability Ordinance (see Section 10.8 above). Information about the HAO can be found at <https://www.sf.gov/information/healthy-airport-ordinance> . The Airport's Worker Retention Policy also applies to any contracts subject to the QSP (see Section 12.9 below). The QSP may be found at: <https://www.flysfo.com/about/airport-operations/policies-regulations/rules-and-regulations> . The Airport's Social Responsibility Office oversees the QSP. For more information, please send an email to [qsp@flysfo.com](mailto:qsp@flysfo.com) or call (650) 821-1003.

**12.9 Worker Retention Policy.** This Agreement is subject to the Airport's Worker Retention Policy, which is incorporated into the Airport Rules and Regulations as Appendix D, and applies to Airport contractors, tenants, and permitted operators, and their respective subcontractors, that employ workers who perform essential services at the Airport on a regular and ongoing basis for the benefit of the travelling public, which services include but are not limited to services for parking garage and curbside management operations, information booths, concessions (food & beverage, retail and passenger services), the SFO Medical Clinic, intra-Airport transportation services, on-airport rental car operations, and services by third party service providers subject to the QSP, but excluding airlines. Contractor shall require all levels of subcontractors under this Agreement to comply with the obligations imposed by the Airport's Worker Retention Policy. More information may be found at <https://www.flysfo.com/about/airport-operations/policies-regulations/rules-and-regulations> .

## **Article 13 Data and Security**

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

**13.1.1 Protection of Private Information.** If this Agreement requires City to disclose "Private Information" to Contractor within the meaning of San Francisco Administrative Code Chapter 12M, Contractor and subcontractor shall use such information only in accordance with the restrictions stated in Chapter 12M and in this Agreement and only as necessary in performing the Services. Contractor is subject to the enforcement and penalty provisions in Chapter 12M.

**13.1.2 City Data; Confidential Information.** In the performance of Services, Contractor may have access to, or collect on City's behalf, City Data, which may include proprietary or Confidential Information that if disclosed to third parties may damage City. If City discloses proprietary or Confidential Information to Contractor, or Contractor collects such information on City's behalf, such information must be held by Contractor in confidence and used only in performing the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary or Confidential Information.

### **13.2 Payment Card Industry ("PCI") Requirements - Reserved.**

### **13.3 Business Associate Agreement - Reserved.**

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

**13.4.1 Use of City Data.** Contractor agrees to hold City Data received from, or created or collected on behalf of, City, in strictest confidence. Contractor shall not use or disclose City Data except as permitted or required by the Agreement or as otherwise authorized in writing by City. Any work by Contractor or its authorized subcontractors using, or sharing or storage of, City Data outside the United States is prohibited, absent prior written authorization by 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. Contractor is provided a limited non-exclusive license to use City Data solely for performing its obligations under the Agreement and not for Contractor's own purposes or later use. Nothing herein shall be construed to confer any license or right to City Data, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third-party. Unauthorized use of City Data by Contractor, subcontractors or other third-parties is prohibited. For purpose of this requirement, the phrase "unauthorized use" means the data mining or processing of data and/or machine learning from the data, stored or transmitted by the service, for unrelated commercial purposes, advertising or advertising-related purposes, or for any purpose that is not explicitly authorized other than security or service delivery analysis.

**13.4.2 Disposition of City Data.** Upon request of City or termination or expiration of this Agreement, Contractor shall promptly, but in no event later than thirty (30) calendar days, return all City Data given to, or collected or created by Contractor on City's behalf, which includes all original media. Once Contractor has received written confirmation from City that City Data has been successfully transferred to City, Contractor shall within ten (10) business days clear or purge all City Data from its servers, any hosted environment Contractor has used in performance of this Agreement, including its subcontractor's environment(s), work stations that were used to process the data or for production of the data, and any other work files stored by Contractor in whatever medium. Contractor shall provide City with written certification that such purge occurred within five (5) business days of the purge. Secure disposal shall be accomplished by "clearing," "purging" or "physical destruction," in accordance with National Institute of Standards and Technology (NIST) Special Publication 800-88 or most current industry standard.

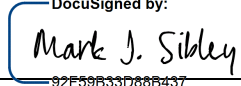
**13.5 Ownership of City Data.** The Parties agree that as between them, all rights, including all intellectual property rights, in and to City Data and any derivative works of City Data is the exclusive property of City.

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

## **Article 14 MacBride And Signature**

**14.1 MacBride Principles – Northern Ireland.** The provisions of San Francisco Administrative Code Chapter 12F are incorporated herein by this reference and made part of this Agreement. By signing this Agreement, Contractor confirms that Contractor has read and understood that City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>CITY</b><br/> <b>AIRPORT COMMISSION</b><br/> <b>CITY AND COUNTY OF</b><br/> <b>SAN FRANCISCO</b></p><br><p>By: _____<br/> Mike Nakornkhet<br/> Airport Director</p><br><p>Attest:</p> <p>By: _____<br/> Kantrice Ogletree<br/> Director of Commission Affairs</p><br><p>Resolution No: 25-0153</p> <p>Adopted on: September 16, 2025</p><br><p>Approved as to Form:</p> <p>David Chiu<br/> City Attorney</p><br><p>By _____<br/> Andrew Angeles<br/> Deputy City Attorney</p> | <p><b>CONTRACTOR</b></p><br><p>DocuSigned by:<br/> <br/> .92F59B33D88B437 ...</p> <p>Authorized Signature</p><br><p>Mark J. Sibley<br/> President<br/> BEUMER Lifecycle Management, LLC<br/> 800 Apgar Drive<br/> Somerset, NJ 08873<br/> Phone: 732-893-2800</p><br><p>City Supplier Number: 000004097<br/> Federal Employer ID Number: 82-3745033</p> |
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**Appendices**

- A: Scope of Services, including its Attachments (Attachment 1 and 2) and Exhibits (Exhibit 1) are expressly incorporated into this Agreement.
- B: Calculation of Charges

## Appendix A Scope of Services

### 1. Description of Services

1.1 The overall system layout is provided below as a reference.



### 1.2 General

1.2.1 The Contractor shall provide all labor, supervision, materials, repair, replacement parts, tools, supplies, lubricants, equipment, and other incidentals necessary to perform complete maintenance and repair services including routine and unscheduled maintenance, repair, and inspection of Airport-owned BHS in Terminal 1.

1.2.1.1 The Contractor shall provide 24/7/365 Support Services remotely through its central Help Desk(s) using contractor supplied systems including voice and secure data communications. These services shall include software and hardware support, mechanical, electrical and controls systems monitoring, analysis and technical support for all equipment and systems under the Contactor's scope of work.



Software and hardware support shall include services necessary to ensure compliance with TSA, City, Airport and other applicable cyber security directives, policies and requirements.

- 1.2.1.2 Fees for the support services shall be invoiced in accordance with Appendix B of this Agreement.
- 1.2.2 The Explosive Detection System (EDS) baggage screening equipment components are furnished, maintained and operated by the Transportation Security Administration (TSA) and are not included in the Scope of Services under this Agreement.
  - 1.2.2.1. The conveyance of materials through the in-line baggage screening equipment is provided by the BHS equipment.
  - 1.2.2.2. The Contractor shall be responsible for maintaining the flow of materials through the screening equipment including clearing of jams or other stoppages related to the materials transported and/or the function of the BHS equipment.
- 1.2.3. The Contractor shall be responsible for all equipment, including computer hardware, software and related systems and equipment as listed in Appendix A – Exhibit 1 of this Agreement, as well as supplies, parts, consumables and staffing necessary to operate and maintain the BHS, on a 24-hour, seven (7) days-a-week, 365 days-a-year (24/7/365) basis. The Airport-owned BHS shall be operated in accordance with these requirements, Original Equipment Manufacturer (OEM) requirements, and the design configuration of the system upon the effective date of this Agreement.
- 1.2.4. The Contractor shall be responsible for the provisioning of replacement baggage tubs, ensuring a sufficient supply is provided at required induction points, and tubs are available and used for every bag inducted that requires their use, as well as the overall care and management of baggage tubs.
- 1.2.5. The Contractor shall provide and store sufficient supplies of fallback baggage tags for immediate use when required.
- 1.2.6. The Contractor shall be available on a 24/7/365 basis to perform emergency work, preventative maintenance services, equipment maintenance and repair activities, and provide documentation of system conditions, as well as reports on the operation and health of the BHS.
- 1.2.7. The Contractor shall keep the BHS operational and available to the Airport and its associated airlines at a rate of 99% of the time or greater.
- 1.2.8. Maintenance and repair duties shall include routine maintenance, scheduled and preventative maintenance, non-scheduled maintenance, ordinary wear maintenance, maintenance and testing of equipment, maintenance of tools and other equipment, on-call maintenance, and update of manuals and other reference resources.
- 1.2.9. Operations and Maintenance services shall be performed in accordance with the Operations and Maintenance Plan developed by the Contractor and approved by SFO.
- 1.2.10. When the BHS service is interrupted, restoration of the BHS shall be the Contractor's first priority.
- 1.2.11. The Contractor shall cooperate in all respects with SFO, its subcontractors or other designees, the TSA, and user airlines and/or their representatives. Preventative Maintenance ("PM") and non-



scheduled maintenance tasks shall be coordinated with, and scheduled around, the requirements of the user airlines operations. The Contractor shall submit a PM schedule to SFO for review and approval based on the OEM recommendations. In the event the OEM does not define PM requirements, then the Contractor shall develop its PM and routine inspection schedule based on the criticality of the components, as well as expected wear and use related factors. The Contractor's PM and routine inspection schedule shall be included in the Operations and Maintenance Plan and presented to SFO for approval.

- 1.2.12. The Contractor shall ensure the Operation and Maintenance of the BHS is in conformance with industry best practices, consistent with the intended design and usage of the BHS and that it is acceptable to SFO.
- 1.2.13. The Contractor shall ensure that the BHS is operated and maintained consistent with all applicable local, state, Occupational Safety and Health Administration (OSHA), and federal laws and regulations, relevant building codes, and safety standards; and shall assure a safe and efficient system for all personnel who operate, maintain, or have access to the equipment. The Contractor shall submit a Safety Plan suitable for this work for review and approval by SFO.
- 1.2.14. The Contractor shall maintain and operate the BHS in accordance with all TSA regulations, guidance and directives including applicable TSA Planning Guidance and Design Standards (PGDS) regarding performance, modification, record keeping, cybersecurity and general operating and security standards.
- 1.2.15. The Contractor shall provide all services in accordance with documented procedures that meet or exceed industry and Airport standards, including best business practices, quality of work performed, project management, maintenance and engineering practices.
- 1.2.16. The Contractor shall maintain all records generated in performance of this Agreement and transfer them to SFO in accordance with documented plans and procedures and records transfer schedules as included in Section 4 of this Appendix A or as may be agreed upon by the parties from time to time.
- 1.2.17. The Contractor shall consult with the OEM of the BHS and component parts and systems if necessary, to maintain the required operational rates and performance.
- 1.2.18. The Contractor shall observe all Airport rules and provisions while undertaking any of its activities under these requirements.
- 1.2.19. The Contractor shall coordinate with SFO and user airlines in the undertaking of any of its activities in support of these requirements where such activities may affect SFO or the airlines.
- 1.2.20. The Contractor's procurement and storage of fluids (e.g. hydraulic, cleaning, lubricating) and other materials used for BHS Operation and Maintenance shall be in accordance with federal, state, and local laws, Airport Rules and Regulations, and all other applicable regulations for the handling and storage of hazardous materials. Upon request, the Contractor shall provide Safety Datasheets (SDS) to SFO in addition to all other required distributions and / or postings of those documents.
- 1.2.21. SFO reserves the right, at its discretion, to inspect any part of the BHS to the component level for safety violations or deficiencies and to direct the Contractor to make immediate corrections of deficient conditions and/or procedures, and/or to stop the work if hazards are deemed to exist.
- 1.2.22. The Contractor shall be fully responsible for the facilities made available by the Airport including repairs, replacements and refurbishment necessitated by ordinary use and wear. The contractor

shall not be responsible for facility related repairs or replacements necessitated by causes beyond the Contractor's control. Any damage to the BHS or related facilities, personal injury, or other incidents associated with the BHS must be reported immediately to the SFO Airport Duty Manager and for incidents on the Airfield Operations Area (AOA) to SFO's Airfield Operations. The Contractor shall cooperate fully with any incident investigation conducted by SFO or other authorities.

- 1.2.23. The Contractor shall be responsible for collecting and disposing of all general office waste, lubricants, belt and scrap metal waste and other surplus or damaged material generated in the operations and maintenance of the Airport-owned BHS and disposal shall be at an off-site location. Whenever possible all such materials shall be recycled.
- 1.2.24. Preventative maintenance and all scheduled maintenance performed during operating hours shall in no way delay airline operations or negatively impact the processing of baggage.
- 1.2.25. Where applicable, the Contractor shall track the warranty period for all components and record labor hours for repairs and other costs for accomplishing warranty work and pursue compensation as if available from the OEM.
- 1.2.26. The Contractor shall be fully responsible for any and all costs related to revoked or otherwise degraded warranty coverage resultant from their acts or omissions.
- 1.2.27. The Contractor shall acquire, or in the case of subcontractors, ensure that they have acquired the proper insurance and SFO permits for all vehicles that are owned and operated at the site by its employees and/or subcontractors.
- 1.2.28. The Contractor shall ensure that all vehicles and equipment owned or operated by the Contractor, or its subcontractors are maintained in a clean, safe, and mechanically sound condition. SFO rules and regulations regarding vehicle and equipment operations and conditions shall apply.
- 1.2.29. The Contractor will ensure that its personnel and/or subcontractor personnel follow TSA and U.S. Customs and Border Protection (CBP) rules and regulations when working in controlled security areas. The Contractor shall ensure that under no circumstances will any of its employees or subcontractor employees enter any unauthorized areas.
- 1.2.30. The Contractor shall manage the procurement, inventory control, storing and re-ordering of spare or replacement parts as required for the maintenance of the BHS. The Contractor shall maintain a full stock of spare parts with, at a minimum, quantities of spare parts equal to or greater than that which are present at the start of the Agreement. The Contractor shall submit an invoice for the cost of all spare or replacement parts, and all such spare or replacement parts shall immediately become SFO property. Spare and replacement parts invoices must clearly state the amount the Contractor paid to suppliers for procurement of spare parts and be fully compliant with the requirements contained in Appendix B of this Agreement.
- 1.2.31. At the conclusion of this Agreement, the Contractor shall deliver to SFO all manuals, drawings, computer programs (excluding proprietary source codes), procedures, records, tools, spare parts, equipment, and testing devices that SFO and the OEM have provided the Contractor for use in maintaining the BHS. All records, logs, reports, and related documentation relative to the maintenance of the BHS developed by the Contractor during the term of the Agreement are the property of SFO and shall be returned to SFO at the conclusion of this Agreement.
- 1.2.32. The Contractor shall be responsible for the maintenance and support of the BHS Lower-Level Controls (LLC) for ICS (CrisBag) components including Programmable Logic Controls (PLC)

hardware and software components and Upper-Level Controls (ULC) (see Appendix A, Exhibit 1 for the complete list). SFO will provide maintenance and support of all other elements of the ULC and the LLC including PLC for the conventional conveyor components, make up and claim units, and all other non- ICS components. SFO's responsibility shall also include, but not be limited to maintenance and support of the following:

- BHS Sort Control Servers
- Human Machine Interfaces (HMI)
- BHS reporting systems
- BHS local area network (BHS LAN).
- Programmable Logic Controls (PLC) – Non-ICS
- Remote Start / Stop system of EDS CTX Machines
- Baggage Reconciliation System (BRS)
- Baggage Messaging System
- Flight Information Feed to and from the BHS

### **1.3 Personnel – General**

- 1.3.1. The Contractor shall be responsible for all costs associated with staffing the work encompassed in this Agreement, including hiring, SFO security badging, parking, taxes, and wages.
- 1.3.2. The Contractor shall not assign, schedule or use personnel designated to perform work under this Agreement to perform work outside the scope of this agreement without prior approval from the Airport.
- 1.3.3. The Contractor shall be responsible for providing skilled technicians with mechanical and electrical aptitude relevant to Baggage Handling System or other material handling systems.
- 1.3.4. The Contractor shall provide a sufficient number of technicians to operate, maintain, troubleshoot, update, and repair the BHS Lower Level Control and Upper Level Control (ULC) systems under their responsibility (see Appendix A – Exhibit 1).
- 1.3.5. The Contractor shall provide sufficient BHS Control Room Personnel to monitor and operate the BHS during periods of active operation in accordance with the approved methods and procedures (see Appendix A - Section 2.3.6).
- 1.3.6. All employees must have a SFO Security Badge as required for unescorted access to the Airport's Security Identification Display Area (SIDA). Management and supervisory employees must have "Escort" privileges associated with their security badge in accordance with SFO Security Access Office policies. Other staff up to the Airport's maximum allowed number may also be given "Escort" privileges, if required.
- 1.3.7. All employees working in the BHS areas must have a US Customs and Border Protection (CBP) Level 2 Seal associated with their SFO Security Badge.
- 1.3.8. The Contractor shall require all prospective employees, including subcontractor's employees, to provide proof of citizenship or proof from the United States Immigration Authority that they have the legal right to work in the United States. The Contractor and its subcontractor(s) shall comply with all badging requirements.

- 1.3.9. The Contractor's and subcontractor's employees, who operate motorized vehicles in the performance of this Agreement, must possess a valid driver's license and valid San Francisco International Airport driver's permission, as indicated by an icon on the employee's SFO Identification badge. The Contractor shall have in place procedures to ensure that employee's driver's licenses remain valid at all times. Participation in California's "PULL" program is strongly recommended.
- 1.3.10. The appearance of the Contractor's and Subcontractor's personnel shall be clean and neat and their conduct courteous and consistent with the highest ethical standards.

#### 1.4 Staffing

- 1.4.1. Operations and Maintenance (O&M) Manager: The Contractor shall assign a qualified and experienced person as the O&M Manager responsible for overseeing and directing BHS Operations and Maintenance in Terminal 1. The O&M Manager or his/her authorized representative (person designated by the Contractor), shall be available and on site at all times, including attendance at regularly scheduled or on demand meetings called by SFO and/or the user airlines to discuss the operation and maintenance of the Airport-owned BHS. The Contractor shall attend all daily briefings as required. The O&M Manager shall also be available for periodic tours and inspections of the premises to be made with SFO, other government agencies, and/or airline representatives. The O&M Manager shall oversee and have overall responsibility for the work to be carried out under this Agreement and as such shall devote his/her time exclusively to this task. The Contractor shall be responsible for providing equivalent level management when the BHS O&M Manager is absent due to sick or vacation leave. SFO shall have the right to approve or reject any management selected by the Contractor and/or demand replacement at its sole discretion.
- 1.4.2. Staffing Levels: The Contractor shall determine, in accordance with the Operating and Maintenance requirements of this Agreement the necessary staffing levels and experience and provide all the labor necessary to meet the requirements of this Agreement. The staffing level shall be described in the Staffing Level and Allocation Plan (see Appendix B) and subject to approval by SFO. The Contractor's failure to include minimum staffing levels in the Staffing Level and Allocation Plan does not relieve the Contractor of the obligation of providing the necessary staffing levels to ensure full performance of the work at no additional costs.

The Contractor shall provide adequate staffing for each Manual Encode station for every shift. The Contractor shall provide System Support staff, whose job duties shall consist of, but not be limited to, clearing all baggage jams in a safe and expedient manner.

The System Support staff may also be used to assistance in any other area and perform any other duties the Contractor may require.

- 1.4.3. SFO's Right to Reject Contractor Personnel: SFO or its Representatives reserve the right, with reasonable cause, to Contractor's personnel assigned to this Agreement.

#### 1.5 Training

The Contractor is responsible for providing initial and on-going training to all employees involved in the maintenance, repair and operation of the Airport-owned BHS. The Contractor shall ensure and establish to the Airport's satisfaction that all employees involved in the operation, repair and maintenance of the BHS attend and participate in an Airport- approved maintenance and safety training program.

## 2. Operational Requirements and Services

2.1 Not used.

### 2.2 Maintenance Plan and Required Experience

2.2.1 SFO must approve the Maintenance Plan. The Plan shall be submitted to SFO a within 30 days of the effective date of the agreement. SFO shall respond to the Contractor's proposed Maintenance Plan within fifteen (15) business days of submittal. Subsequent revisions to the Maintenance Plan must be approved by SFO prior to the implementation of any changes to the existing Maintenance Plan. Revisions to the Maintenance Plan shall be submitted as necessary to ensure that the Maintenance Plan reflects the actual conduct of the Operations and Maintenance services and meets these requirements.

2.2.2 The Contractor's Maintenance Plan shall include the following:

2.2.2.1 An organizational and implementation framework around which the Contractor's operations and maintenance activities are conducted.

2.2.2.2 A scope of work that provides complete maintenance services for the BHS. Any other services that the Contractor determines are required in order to assume complete responsibility for Operation and Maintenance of the BHS that are not described herein shall be referred to in the Maintenance Plan as "additional services."

2.2.2.3 A training plan detailing how the Contractor will meet initial and recurrent training requirements.

- The Contractor shall be responsible for training all BHS Operations and Maintenance workers. The Contractor shall not allow personnel who have failed to successfully complete the approved training program(s) to operate or perform maintenance on the BHS. The Contractor shall maintain accurate training records and make them available to the Airport upon request. Airport staff may audit and/or, on a space-available basis, participate in training sessions.
- Contractor shall develop a Training Plan that includes a list of training classes and programs, a brief summary of their content, duration, and the objective of each class or program, and the qualifications of the instructor(s). The Training Plan and all revisions must be approved by SFO. The approved Training Plan shall be included in the Maintenance Plan.
- Contractor shall develop a program of recurrent training including baggage hygiene, new or modified equipment, procedures, techniques and any other updated content. Such training shall be conducted annually at minimum, or more frequently if deemed necessary by the Contractor or SFO. Baggage hygiene training shall be made available to airlines, TSA, and TSA contractor staff using the BHS.
- The initial operator training and maintenance training specific to the requirements for newly installed BHS subsystems or components shall be included in the purchase cost if the Airport provided subsystems or components. Subsequent training requested from the OEM by the Contractor shall be at the Contractor's expense.

2.2.2.4 A Safety Plan detailing how the work will be accomplished in a safe manner and the BHS protected from damage.

- The Safety Plan shall be reviewed and updated annually along with the Maintenance Plan.
- During the term of this Agreement the Contractor shall provide all materials, training, and other resources required to ensure that the BHS can be safely operated and maintained in conformance with all applicable federal, state, local, Airport Rules and Regulations, and the approved documents developed concerning the BHS.

2.2.2.5 An Operational Contingency Plan providing detailed steps to recover and continue baggage processing in the event of system failures or interruptions due to mechanical, electrical, controls, or environmental (not directly BHS-related) events that render some, or all, of the system degraded or unavailable. These plans must include the use of alternate equipment, manual methods, alternative sites or combinations of these and other mitigating measures. Resources required, and sources of those resources are to be included, as are communication plans. Procedures and methods to resume normal processing after the system is restored must be included. Contingencies to mitigate interruption of part, or all, of the inline baggage screening capability are to be developed directly with TSA and included in the Contractor's overall plan.

2.2.2.6 The Maintenance Manager shall be the individual with primary responsibility to implement the Maintenance Plan and fulfill the Contractor's obligations regarding the Operation and Maintenance of the BHS. The Maintenance Manager shall have a minimum of five (5) years of experience in operation, maintenance and repair of BHS. The BHS Maintenance and Operations Manager may be a working member of the staff.

2.2.2.7 The Contractor shall provide information on the previous experience of the Maintenance Manager, Supervisor(s) and other management-level staff in the following areas:

- Managing BHS Operations and Maintenance services to achieve maximum levels of safety and reliability.
- Inventory management.
- Preparing and automating BHS Operation and Maintenance documentation and reports.
- Establishing and sustaining an effective quality control program.
- Establishing a maintenance program and plan, including an automated maintenance management and inventory control program.
- Performing corrective maintenance of all BHS components.
- Performing preventative maintenance consistent with OEM standards.
- Maintaining maintenance records including warranty repairs, scheduled preventative maintenance, and non-warranty repairs.
- Establishing a safety plan and asset protection plan.
- Establishing and sustaining a training program.

2.2.2.8 The Contractor shall provide to SFO sufficient documentation, including resumes and proof of experience to demonstrate that the proposed staff meets the minimum qualifications.

## 2.3 Operational Duties

2.3.1 The Contractor shall execute the maintenance of the BHS to meet, at a minimum, the Operations and Maintenance Standards specified in this Agreement.

- 2.3.2 It is the Contractor's responsibility to consult with the OEM, if necessary, to maintain the required operational rates and performance.
- 2.3.3 The Contractor shall be responsible for providing, training and supervising all maintenance personnel and providing all materials, tools, equipment and services required to accomplish the tasks specified to assure that the BHS provides safe and reliable service, meeting the specified minimum performance criteria. The Contractor shall monitor the BHS status and dispatch maintenance personnel as necessary to correct fault conditions including electrical and mechanical failures. A failure or fault is defined as any condition that renders the BHS, or any subcomponent, unserviceable or non-compliant to the performance specifications.
- 2.3.4 The Contractor is responsible for responding to and rectifying all fault conditions. Whenever the service of the BHS is interrupted, the restoration of such service shall be accomplished in accordance with the Maintenance Plan and the OEM maintenance manuals.
- 2.3.5 The Contractor shall be responsible for the removal of any baggage remaining in the system and any manual handling required in the event of a BHS system failure and to respond to all BHS related failures and emergencies as required, providing for the transport of bags to their intended destination.
- 2.3.6 The Contractor shall staff the BHS Control Room on a 24/7/365 basis and provide monitoring and control of the BHS using the systems provided.
- 2.3.6.1 The Control Room operator's general duties include, but are not limited to:
- Alert maintenance personnel through radio or other communication methods of faults or failures and dispatch them to the appropriate location.
  - Monitor system balancing.
  - Monitor statistical performance and reports.
  - Monitor baggage make-up and claim assignments to ensure flight coverage and accuracy.
  - Make BHS operational decisions, including coordinating implementation of any backup/fallback procedures necessary to facilitate continued operations.
  - Ensure smooth daily start-ups and shut downs by establishing and following start-up and shut down checklists and procedures.
- 2.3.6.2 The Control Room operator's daily duties include, but are not limited to:
- Log onto the user interface workstation(s) and log out when leaving the area.
  - Ensure that BHS Sortation and HMI computers are operational.
  - Verify, using the HMI that there are no devices in an alarm state or condition that will prevent the BHS system from starting and operating at full capacity and contact maintenance operations to correct any conditions that may prevent system start-up or continued optimal operation.
  - Verify, via the HMI, that all communication links are running and operational (baggage and flight messages PLC, BHS LAN).
  - Monitor HMI for any visual and audible alerts and notify maintenance operations of identified conditions that may need correction.
  - Verify and monitor that the flight information to the BHS is the correct and initiate action to make any corrections needed.
  - Verify and monitor that all flight's baggage make-up and baggage claim assignments are correct, and initiate action to make any corrections needed.
  - Assist the TSA as necessary for system start-up and operation.
  - Verify readiness to exercise/initiate any and all back-up or fallback modes or procedures at any time.
  - Coordinate and communicate with users and maintenance and operations staff as required for baggage tub management, ensuring availability at load points at all times.

### 2.3.7 Baggage System Fallback Duties

2.3.7.1 Fallback Tags – Contractor must verify, daily, the readiness to exercise / initiate any and all back-up or fallback modes or procedures at any time. This shall include, but is not limited to, verifying the availability of a sufficient stock of pre-printed Fallback/Pier tags as required to allow possible implementation on demand at any given time. Current stock must be sufficient to ensure that it will not be depleted faster than it can be replenished if use were required for extended periods.

2.3.7.2 Fallback tags will be provided by the Contractor based on the recommendations of the OEM as well as airlines and other operations stakeholders. The Contractor shall be responsible for restocking, in a similar manner to spare parts purchases, as required to ensure continuous availability as described above and for distribution of Fallback tags as needed. Invoicing procedures (see Appendix B) shall apply to the Contractor’s procurement of Fallback tags.

2.3.8 The Contractor is responsible for coordinating decisions and managing those decisions regarding BHS fallback operational procedures in coordination with the SFO Airport Duty Manager and other SFO incident management authorities.

2.3.9 The Contractor shall keep SFO and the user airlines informed of all BHS outages or failures that impact the airlines’ operations. The Contractor shall inform SFO of these equipment outages or failures as soon as practical after each occurrence. Additionally, these periods of equipment outages or failures shall be reported via the Contractor’s Incident Reports, daily and weekly reports.

## 2.4 Response Time

Response time for required work is dependent upon work priority and shall be in accordance with the following standards:

### 2.4.1 Emergency Work:

Contractor shall have personnel available to take emergency action at the job site within five (5) minutes following notification of a problem with the BHS. Emergency Work is defined as correction of any mechanical, electrical or Lower-Level Controls issue or any condition in which the BHS becomes not usable for its intended purpose.

### 2.4.2 Routine Work:

Work orders shall be started as soon as possible following receipt of the work request. Routine work is defined as correction of any condition that is not causing the BHS to be unusable for its intended purpose. Routine work may be scheduled or unscheduled.

### 2.4.3 Urgent Work:

Urgent work shall be started with the first available person after receipt of the request. Work in progress will be halted to perform urgent work.

### 2.4.4 Bag Jams:

Responsive time for bag jams is within five (5) minutes of the occurrence.

2.4.5 After the work has begun, the Contractor shall maintain continued and steady progress to ensure completion in the minimum amount of time, considering competing workload, etc., except when a specific performance period is noted on the work request.



- 2.4.6 Down Time Events shall be defined as the time in which a BHS related problem causes an interruption in the normally scheduled use of the BHS. Duration of such events shall be measured from the initial notification of the interruption until the effected BHS system is returned to service and the normal operation is restored.

## 2.5 Corrective Action

- 2.5.1 For any calendar month during the Agreement where the number of cumulative downtime events exceeds the key performance indicators (KPI's) specified for the BHS elements covered under this Agreement, the Contractor shall promptly undertake reviews of maintenance procedures and shall propose a plan to SFO to correct the problem and return performance to within the allowed number of events.
- 2.5.2 Corrective actions shall be documented in a Failure Analysis Report issued by the Contractor to SFO, to be submitted by the 10th day of the following month.
- 2.5.3 Any single downtime event exceeding 6 (six) hours shall be reported to SFO immediately and reviewed separately in accordance with the provisions as described in this Agreement, with the exception that the Failure Analysis Report is to be submitted to SFO within 48 (forty-eight) hours of the return to service of the specified BHS.
- 2.5.4 Should a downtime event exceed 24 (twenty-four) hours SFO may, at its sole discretion, arrange for restoration of the specified BHS to operational condition using Airport and / or contracted resources at the Contractor's expense.

## 2.6 Terminal 1 Baggage Handling System Related Facilities and Supporting Infrastructure

- 2.6.1 Space rental and utilities required to operate and maintain these facilities are provided by the Airport. The Contractor shall be fully responsible and liable for the facilities made available to them, including repairs, replacements and refurbishment necessitated by ordinary use and wear and including loss or damage. Janitorial maintenance and supplies are the responsibility of the Contractor. The contractor shall not be responsible for facility related repairs or replacements necessitated by causes beyond the Contractor's control. The Contractor shall observe all safety security, and sanitary directives. The Contractor may not use any SFO facilities other than those specifically provided nor shall the Contractor use any of the facilities for purposes other than those related to the execution of this agreement. The Contractor shall promptly notify the San Francisco Police Department – Airport Bureau of any unauthorized entrance to the facilities or attempt to do so and of all equipment and supply theft and assist in determining loss.
- 2.6.2 The following locations are assigned for the sole and exclusive use of Contractor for the term of the Agreement:
- a) **Room T1.1.176H- BHS Break Room:** The Airport shall have full right of entry and inspection of this Break Room and the Airport-owned equipment therein at any time.
  - b) **Room T1.1.176B Control room** Control Room houses the controls equipment, operating, and monitoring systems required for the BHS to function. The Airport shall have full right of entry and inspection of the BHS Control Room and the Airport-owned equipment therein at any time.

- c) **Room T1.1.180D, B.1.230A- BHS Parts Storage and Work Rooms**– These spaces house parts and equipment storage and workshop areas. The Airport shall have full right of entry and inspection of the BHS Parts Storage and Work Room and the Airport-owned equipment therein at any time.
- d) **Room T1.1.190- Parts Room**– These spaces house parts and equipment storage and workshop areas. The Airport shall have full right of entry and inspection of the BHS Parts Storage and Work Room and the Airport-owned equipment therein at any time.

The Airport shall have full right of entry and inspection of the space and the Airport-owned parts and / or equipment therein upon reasonable notice to the Contractor under routine circumstances and at any time the Airport’s interest in the facility and/or parts and/or equipment dictates immediate entry

- 2.6.3 Shared Equipment Rooms – The BHS Servers and various other equipment may be located in rooms in which equipment used by others is also located. The Contractor is required to participate in maintaining the cleanliness and security of these spaces in cooperation with the other users whose equipment is located therein.

## 2.7 General Safety

SFO reserves the right, at its discretion, to inspect the BHS for safety violations or deficiencies, to direct the Contractor to make immediate improvement of conditions and/or procedures, as deemed necessary by SFO and/or stop the work if other hazards are deemed to exist.

## 3. Maintenance Services – Requirements

### 3.1. General Maintenance Requirements

The Contractor shall provide maintenance of the BHS in conformance with the SFO-approved Maintenance Plan and maintenance manuals provided by the OEM(s). The work shall be performed diligently with top quality supplies, materials, equipment, and workmanship. The Contractor shall not remove BHS subsystems or components from service for purposes other than maintenance and repair, nor shall the Contractor elect not to repair and restore to service failed BHS subsystems or components. In no case may the installed BHS parts, materials or equipment be used as a source of spare parts or materials unless a demonstrably critical operational need exists. SFO shall be immediately notified of such action, the reason for it and when the removed parts, materials or equipment will be replaced. The “donor” subsystem or component shall also be covered under these requirements and any parts and/or materials used must be in conformance with these requirements. The Maintenance duties for the BHS to be undertaken by the Contractor shall include the following:

- 3.1.1. The Contractor shall maintain all SFO-owned equipment, parts, supplies, and materials in good working order, properly maintained and secure for the duration of the agreement.
- 3.1.2. The Contractor shall establish a maintenance program and plan, which is to include an automated maintenance management and inventory control program using the SFO provided Maintenance Management System (MMS).
- 3.1.3. The Contractor shall follow all required checklists as included in the BHS OEM manuals or utilize SFO approved checklists, to be completed by trained maintenance personnel. Discrepancies not corrected when found must be scheduled for further maintenance attention. BHS and accessories shall be removed from service for repair or maintenance inspection immediately if any defect or condition affecting safe

operation is found or suspected. The Contractor must coordinate with SFO for the shutdown or impairment of any of the above- mentioned systems and / or equipment.

- 3.1.4. The Contractor shall ensure that OEM requirements necessary to retain warranty coverage, when such coverage is available, are fully complied with. The Contractor shall be responsible for all costs related to revoked or otherwise degraded warranty coverage resultant from their acts or omissions.
- 3.1.5. The Contractor shall establish and sustain an effective quality control program.
- 3.1.6. The Contractor shall maintain maintenance records, including records of warranty repairs, scheduled preventative maintenance, and non-warranty repairs. The MMS shall be used for this purpose.
- 3.1.7. At the conclusion of this Agreement the Contractor shall deliver to SFO all manuals, drawings, computer programs, documentation, records, spare parts, tools, equipment, vehicles and testing devices that SFO and/or the OEM have provided to the Contractor for use in operating and maintaining the BHS. All records, logs, reports and related documentation relating to the operation and maintenance of the BHS developed by the Contractor are also to be turned over to SFO.

### **3.2. Maintenance Tasks**

The following tasks provide a general listing of activities necessary to maintain and repair the Airport-owned BHS. In addition to the general listing below, The Contractor agrees to perform maintenance work in accordance with the complete requirements of this Agreement.

#### **3.2.1 Routine Maintenance:**

Activities including, but not limited to, routine inspections and testing designed to identify any unusual or abnormal equipment condition or equipment requiring corrective measures or repair due to damage or ordinary wear. The Contractor shall adhere to the OEM's requirements for routine inspections of the BHS in accordance with the schedules and requirements of the OEM as stated in the maintenance manuals. All parts and components subject to wear must be replaced or renewed when needed. Operation of the BHS in adverse climatic conditions such as locations near salt water will require more frequent inspections of some items and a more frequent lubrication schedule.

#### **3.2.2 Scheduled / Preventative Maintenance (PM):**

Activities required for keeping the BHS operating at the prescribed levels of safety, efficiency and reliability, as defined in the OEM Manuals, which are performed on a regular basis at specified intervals. Preventative Maintenance shall include cleaning BHS conveyor equipment as well as the surrounding area to keep equipment and surrounding areas free from any trash, dirt, debris, and graffiti. The Contractor shall adhere to a rigid program of Preventative Maintenance to prevent or reduce failures or the need for non- scheduled maintenance. Maintenance schedules and procedures established and recommended in the OEM manuals must be followed at all times with the goal of maintaining or exceeding BHS system design life expectancy.

#### **3.2.3 Non-Scheduled Maintenance:**

Activities requiring corrective measures or repairs necessitated by an inspection, a failure, or unusual circumstances adversely affecting the normal operations of the BHS or BHS component(s). Non-scheduled maintenance shall be performed on a priority basis as necessary to meet the specified performance criteria.

#### **3.2.4 On-Call Maintenance - Maintenance Requested by SFO.**

Maintenance, repairs, inspections, or other tasks requested by SFO that are not specifically called for in this Agreement or the OEM requirements or recommendations or such activities outside of the stated intervals, frequency or indications specified in this Agreement or the OEM requirements.

### 3.2.5 Other Services:

- Updating maintenance manuals or other resources, maintenance of testing equipment, maintenance of tools, equipment and fixtures.
- Maintenance and repair of platforms, suspension (hanger) systems and other structural and supporting elements associated with the BHS.
- Maintenance and repair (including repairs of damage regardless of cause) of impact protection provided for BHS components, including electrical and controls cabinets, supports, conveyors, make up devices, access stairs or ladders and other BHS elements. This to include replacement of damaged parts, including fabrication of parts if necessary, straightening, fastening (including welding), remounting and flooring repair, restoral of finishes (painting) and any other tasks necessary to maintain impact protection in an ‘as installed’ condition.
- Maintenance and replacement as necessary of anti-fatigue mats provided at baggage make up units and other employee work areas as identified by SFO. Replacement mats shall be procured and invoiced by the Contractor in accordance with Appendix B of this Agreement.
- Maintaining all necessary vehicles, including, but not limited to lift devices, fork-lift trucks, etc. that will be required and used under this Agreement.
- Maintenance and repair of all means of access to the BHS including stairs and ladders and including all fencing, gates and associated hardware provided to secure access points. Electronic access control systems provided for access points will be maintained by SFO.
- Managing inventory of parts and equipment.
- Services required to comply with Airport cybersecurity requirements outlined in Section 12.7 of the Agreement that both City and Contractor agree were not part of the Contractor’s original offering for this Agreement

## 3.3 Maintenance and Operating Standards

### 3.3.1 Availability Standard

The Contractor is required to keep all BHS and sub systems operational and available to SFO and its associated airlines. A monthly availability percentage of 99%, or greater, is required per system and subsystem. Subsystems shall be defined by agreement between the Contractor and SFO. Any service interruption due to events caused by outside entities such as power outages or failures of federally maintained equipment shall be reported but shall not count toward downtime of the BHS. A monthly availability percentage below 99% shall constitute non-compliance. Measurements of availability shall not include pre- planned down time for Preventative Maintenance. The availability percentage will be calculated using a weighted reliability time metric of three (3) levels of criticality. It is the Contractor’s responsibility to consult with the BHS and / or component OEM, if necessary, to maintain the required availability standards. The levels are:

| Level   | Description                                                                                                                                                                                                                                                                                                                                                                                | Weight |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Level 1 | Highly Critical - A BHS downtime event resulting in more than two (2) flight delays or any flight delay greater than ten (10) minutes past scheduled flight departure time caused by waiting for baggage from the BHS and/or more than two (2) checked items missing the flight for which they were checked. Airline determination as to delay or missed baggage causes shall be accepted. | 1.5    |
| Level 2 | Critical - A BHS downtime event resulting in two (2) or less flight delays or any flight delay greater than five (5) minutes past scheduled flight departure time caused by waiting for baggage from the BHS and/or two (2) or less checked items missing the flight for which they were checked. Airline determination as to the delay or missed baggage causes shall be accepted.        | 1.0    |

|         |                                                                                   |     |
|---------|-----------------------------------------------------------------------------------|-----|
| Level 3 | Minor - BHS downtime event that can be mitigated to eliminate operational impact. | 0.0 |
|---------|-----------------------------------------------------------------------------------|-----|

The availability percentage will be calculated monthly as follows:

- Each BHS component outage shall be reported in minutes, and multiplied times weight to determine weighted minutes.
- The total number of weighted minutes is then summed and subtracted from the total monthly minutes of required availability to obtain the Actual Available Monthly Minutes.
- The Actual Available Monthly Minutes is then divided by the agreed upon total minutes minus scheduled PM minutes to determine the availability percentage.
- Actual Available Monthly Minutes = Total Monthly Minutes – (minus) Scheduled Preventative Maintenance Minutes

### 3.3.2 Measuring non-compliance

The Contractor will be viewed as non-compliant with the availability requirements if the monthly availability percentage is less than 99%. For each month of non-compliance, The Contractor shall submit a written explanation and a plan to prevent recurrence of similar failures, and SFO may, at its sole discretion assess adjustments to payments as specified in 3.3.3 “Withholding and Deducting from Payments” of this Agreement, and in Appendix B of this Agreement.

Other Key Performance Indicators:

### 3.3.3 Tracking Accuracy Standards

The Contractor is required to maintain the highest possible tracking accuracy of bags throughout the BHS including the sortation sub-system and the Checked Baggage Inspection System (CBIS). The Contractor is required to achieve, on a monthly basis, the following tracking percentages:

#### 3.3.3.1 In the Checked Baggage Inspection System (CBIS): 98% accuracy ( $\leq 2\%$ lost in tracking)

The source of CBIS tracking accuracy results shall be the BHS Reporting System – “CBIS CBRA PERFORMANCE REPORT” “Lost in Tracking” column.

#### 3.3.3.2 In the Sortation sub-system: 97% accuracy ( $\leq 3\%$ lost in tracking)

The source of Sortation sub-system tracking accuracy reports shall be the BHS Reporting System – “EQUIPMENT OPERATIONAL SUMMARY REPORT” “unknown” and “total bags” columns and will include sortation lines, manual encode lines, and crossover lines.

#### 3.3.3.3 Measuring non-compliance

3.3.3.4 The Contractor will be viewed as non-compliant with the tracking accuracy standards if the monthly tracking accuracy percentage is less than 98% for the CBIS or 97% for the sortation sub-system. For any month of non-compliance of either system/sub-system The Contractor shall submit a written explanation and a plan to prevent recurrence of similar failures, and SFO may, at its sole discretion deduct \$1,000 from the Contractor’s monthly invoice payment.

#### 3.3.3.5 Automated Tag Reader (ATR) Read Rate Standards

The Contractor is required to maintain the highest possible read rates of baggage tags passing through the ATR's (also referred to as "scanners" or "laser arrays") in order to accurately track and route baggage in the BHS, including the outbound and inbound sub systems. The Contractor is required to achieve, on a monthly basis, the following read rate percentages:

- For ATRs in the outbound sub systems: 95% read rates.
- The source of Read Rate performance data shall be the BHS Reporting System – "Laser Array Report" or the "Day End Report."
- For ATRs in the inbound sub systems: 93% read rates.
- The source of Read Rate performance data shall be the BHS Reporting System – "Laser Array Report" or the "Day End Report." The read rate percentage shall be calculated for all ATR's in each category (outbound and inbound) combined for the invoice month.

#### 3.3.3.6 Measuring non-compliance

The Contractor will be viewed as non-compliant with the ATR read rate standards if the monthly read rate percentage is less than 95% for the outbound sub systems or 93% for the inbound sub-systems. For any month of non-compliance of both sub-systems, the Contractor shall submit a written explanation and a plan to prevent recurrence of similar failures, and SFO may, at its sole discretion, deduct \$1,000 from the Contractor's monthly invoice payment.

#### 3.3.3.7 Preventative Maintenance and Routine Inspection Standards

The Contractor shall adhere to the OEM's requirements for PM and Routine Inspections (RI) of the BHS in accordance with the schedules and requirements of the OEM(s) as stated in the maintenance manuals. See Attachments 1 and 2 of this Appendix A for example PM Inspection Checklists.

Accurate and timely completion of the checklist and recording/retention of the completed checklist constitutes a completed preventative maintenance inspection. For purposes of monitoring the Contractor's compliance with OEM schedules for PM and RI, the Contractor shall provide to SFO a monthly schedule detailing planned PM and RI tasks for all BHS components and equipment covered under this Agreement. The Contractor is required to achieve, on a monthly basis, the following PM/RI on time completion rates:

- PM/RI on time completion rate of 98% or higher. A completion rate below 98% shall constitute non-compliance.

The PM/RI on time completion rate is calculated as follows:

Completed and "on-time" PM/RI divided by Scheduled PM/RI

Example: 44 completed and on-time PM/RI / 45 Scheduled PM/RI = 98%

- Exceptions: Annual and semi-annual PM/RI must be completed at scheduled intervals and have a completion standard of 100%. Each failure to complete Annual or Semi- Annual inspections per schedules shall constitute non-compliance.

#### 3.3.4 Measuring Non-Compliance

- 3.3.4.1 The Contractor will be viewed as non-compliant with the requirements if PMs are not conducted within five (5) days of the interval due date as defined in the Maintenance Plan, and within two (2) days of the interval due date defined in the Maintenance Plan for RI. Non-compliant PM and

RI will be considered incomplete for purposes of calculating the PM Inspections Completion Rate as required in this Agreement. For each month of non-compliance (completion rate less than 98% or annual and semi-annual PM/RI not completed on schedule), the Contractor shall submit a written explanation and a plan to prevent recurrence of similar failures. For each month of non-compliance SFO may, at its sole discretion deduct \$1,000 from the Contractor's monthly invoice payment.

### **3.4 Repair, Replacement and Inventory of Parts, Components and Materials**

- 3.4.1 The Contractor shall maintain an inventory of spare parts, equipment, and consumables at a level sufficient to maintain the BHS in accordance with the requirements. Any inventory of spare parts, equipment, and consumables provided to the Contractor by SFO upon the commencement of this Agreement shall be maintained as received (i.e., same quantities of specific parts, equipment, and consumables) with allowance for mutually agreed upon reasonable resupply intervals throughout the term of this Agreement.
- 3.4.2 To ensure that a proper inventory level of parts is maintained throughout the term of this Agreement the Contractor shall promptly order replacement parts after any part is withdrawn from the inventory, but no more than one business day after approval is given by the City. In the event of an extended down time event or disruption due to an "out of stock" occurrence, the Contractor shall demonstrate its good faith efforts, including pursuit of alternates, to obtain the necessary part(s) in a timely manner and validate that the replacement part in question was promptly ordered by the Contractor but has not yet arrived due to the lead time constraints of the supplier from whom the part was ordered, or due to delays in transportation.
- 3.4.3 Only OEM approved, or recommended, methods, parts, equipment, and consumables shall be used in any BHS operation, maintenance or repair. Exceptions may be granted for functionally equivalent items upon written request to SFO and at SFO's discretion.
- 3.4.4 The Contractor shall be responsible for taking all necessary steps to obtain warranties whenever available from the suppliers of all purchased spare parts, components or materials, tracking the applicability of those warranties, and exercising the provisions of those warranties when applicable.
- 3.4.5 The Contractor shall accurately record any purchases made for spare parts and fulfill any other requirements necessary to obtain reimbursement under the terms of the Warranty Agreement(s) for the BHS parts, components or materials.
- 3.4.6 During the term of this Agreement, the Contractor shall provide SFO with an up- to-date parts inventory every six (6) months. SFO may inspect inventory and / or records at any time.
- 3.4.7 The Contractor shall promptly repair and / or replace unserviceable parts, components, or materials. SFO will reimburse the Contractor for the cost of such repairs and replacements in accordance with Appendix B of this agreement. There shall be no reimbursement for repairs or replacement of items covered by guarantees or warranties provided by the Contractor or other supplier or for repairs or replacements necessitated by the careless or negligent acts or omissions of the Contractor's employees, suppliers, agents or subcontractors.
- 3.4.8 At the conclusion of this Agreement equivalent quantities of any and all spare parts, equipment, and consumables provided to the Contractor by SFO will become the property of SFO. All shall be in the same condition as received and meet the same OEM specifications as the originally received inventory.

SFO shall be reimbursed by the Contractor for items that are not accounted for or returned from the original inventory.

- 3.4.9 If it is necessary for the Contractor to replace any materials or spare parts, excluding all tools and consumables, of the BHS under this Contract, and SFO is responsible for the cost, the Contractor shall first submit to SFO, for approval, the name of the item, identifying number and quantity required, name of the proposed supplier and the supplier's price to Contractor without any markup. SFO's written approval is required before the purchase of any spare parts or material and SFO shall reimburse only the Contractor's cost of purchase, plus markup. (Refer to Appendix B of this Agreement.) There shall be no reimbursement for repairs or replacements for items covered under warranty. Shipping costs as applicable and not covered by the OEM may be included on the Contractor's monthly invoice. Airport approval of shipping costs must be obtained in advance and documented with the invoice.
- 3.4.10 If replacement of spare parts is necessary and SFO is responsible for the cost of the spare part and/or equipment, the Contractor shall submit an invoice for the cost of all spare parts and/or equipment, and all such spare parts and/or equipment shall immediately become SFO property upon payment. Spare parts invoices must clearly state the amount the Contractor paid to suppliers for procurement of spare parts. If replacement parts and/or equipment are manufactured or fabricated by Contractor, Contractor shall submit an invoice in an amount not to exceed the list price of such parts supplied. In the event parts and/or equipment manufactured by the Contractor does not appear on a published list, the Contractor shall provide evidence that the charges to SFO are comparable to those given to other preferred customers of the Contractor.
- 3.4.11 All actual costs shall be supported with copies of actual invoices. All cash discounts for spare parts and materials shall be accrued to the Airport. In order to minimize the actual costs to be paid by the Airport for purchased spare parts, the Contractor shall make all reasonable efforts to research appropriate vendors to secure price comparisons, considering such things as shipping charges and discounts available.

### **3.5 Restrictions on Maintenance, Repair and Operational Activities**

- 3.5.1 If at any time the Contractor's activities are deemed to constitute a hazard to Airport patrons, personnel, or facilities, present an unacceptable level of inconvenience or disruption or generally contravene the good order of the Airport the Contractor shall immediately cease such activities when ordered to do so by SFO authorities.
- 3.5.2 All cutting or welding must comply with Airport Commission's Rules and Regulations and be conducted under a valid permit issued by SFO.

### **3.6 As-Needed Services**

- 3.6.1 Contractor shall provide related Services as needed and as requested by the Airport documented through the issuance of a Task Order, in accordance with Section 4.1 of this Agreement. As-Needed Services might include Services, such as and without limitation, unforeseen repairs not otherwise provided for as part of the Scope of Services in this Appendix A, or as a Contractor obligation already required elsewhere in this Agreement.

## **4. Performance Monitoring and Reports**



#### 4.1. Maintenance Management System (MMS)

The Contractor shall use and maintain a computerized Maintenance Management System (MMS) provided by SFO that provides the ability to track and issue work orders, equipment and repair history, repair frequencies and part failure modes and perform trend analysis. All assets including spare parts provided by the Airport must be entered, managed, and maintained through the MMS. Performance and Monitoring reports shall be generated using the MMS. SFO shall have full and unrestricted access to and use of the MMS. SFO may use the MMS at other locations with licensing and support provided by Contractor at pricing agreed to by the parties.

#### 4.2. Report Development

The Contractor shall develop reports in collaboration with and in a format acceptable to the Airport which shall be updated as required and which shall include complete information concerning BHS performance and problems, including description of fault / problem, time and date of occurrence, type of corrections performed and assigned responsibility. The reports shall be archived by the Contractor for the duration of this Agreement after submittal and provided to the Airport or its representatives upon request.

#### 4.3. Weekly Performance Reports and Monthly Summaries

The Contractor shall submit weekly performance reports and monthly summaries to SFO's Project Manager. The format of the weekly and monthly reports shall be coordinated with SFO and, at a minimum, shall provide an indication of actual performance with respect to all performance criteria specified herein. The Contractor shall prepare all documents in the English language and provide them in electronic and / or printed form per SFO direction.

#### 4.4. Report Submittal

| Interval     | Systems | Report Name                    | Description                                                                                                                                                                                                                                              |
|--------------|---------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Per Incident | BHS     | Accident/Injury Report         | Include the following information:<br>Date, Time, and Location of Accident/Injury<br>Accident/Injury Description<br>Date and Time when SFO was notified of Accident/Injury<br>Any other relevant information                                             |
| Daily        | BHS     | BHS Activity                   | Include the following information:<br>Total airline baggage processed<br>Total daily baggage jams<br>Total daily missorted bags<br>Total daily outbound bags processed<br>Shift activity                                                                 |
| Weekly       | BHS     | Quality Control (QC)           | Include the following information:<br>A summary of results of all quality control inspections performed that includes, at a minimum, date of QC inspection, description of the system inspected, name of technician, name of QC inspector, and result    |
| Weekly       | BHS     | System Downtime                | Include the following information:<br>A summary of all systems downtime experienced during the reporting period, that includes, at a minimum, date, start time, end time, system, subsystem, system failure description, resolution, and total downtime. |
| Monthly      | BHS     | Sortation and Baggage Tracking | Include the following information:<br>Number and percentage of bags tracked at CBIS                                                                                                                                                                      |

|             |     |                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------|-----|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             |     |                                    | Number and percentage of bags tracked at Sortation                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Monthly     | BHS | Faults and Downtime                | Include the following information:<br>Number of faults and downtime events<br>Response time<br>Downtime duration<br>Responsibility                                                                                                                                                                                                                                                                                                                                                |
| Monthly     | BHS | Availability Rate                  | A report of system availability indicating the actual system availability hours; total monthly hours; and scheduled preventative maintenance hours for the month.                                                                                                                                                                                                                                                                                                                 |
| Monthly     | BHS | Preventative Maintenance (PM) Rate | A summary of the percentage and number of completed Preventative Maintenance tasks and Required Inspections (RI) for each month. The report must include:<br>All PM and RI scheduled to be performed that month<br>PM services accomplished / completed and on-time for that month<br>A list of PM services not timely completed together with a schedule of when the Contractor will perform delinquent PM and RI services<br>All non-scheduled maintenance performed that month |
| Monthly     | BHS | Spare Parts                        | Include the following information:<br>A list of all parts used during the month<br>A list of all parts purchased during the month<br>A list of all parts on-hand and any shortages from planned stocks                                                                                                                                                                                                                                                                            |
| Monthly     | BHS | Corrective Action                  | Include the following information:<br>A list of all non-scheduled repairs by system and subsystem<br>A description of each failure, including cause<br>A plan to mitigate said failures                                                                                                                                                                                                                                                                                           |
| Semi Annual | BHS | Parts Inventory                    | A report indicating all parts on-hand at SFO to include:<br>Part number<br>Part ID<br>Location of Part<br>Name of part<br>Actual Quantity                                                                                                                                                                                                                                                                                                                                         |

#### 4.5. Quality Assurance Monitoring and Reporting

During the term of this Agreement the Contractor shall collect operational data for analysis. This data shall measure actual performance of the BHS to verify the service availability requirements described in this Agreement. The Contractor shall provide SFO monthly System Quality Assurance Monitoring Reports that include this data for review, commencing at the end of the first month of this Agreement.

#### 4.6. Annual Technology Review and Report

The Contractor shall provide an annual report, no later than October 1st of each year of the Agreement, which identifies system modifications, enhancements, redesigns, and / or replacements of any BHS components that may be desirable due to technological advancements. At a minimum this report shall contain the following:

- Description of component to be replaced
- Reason for replacement
- Description of new components

- Advantages for replacement
- Cost to replace the component
- Time required to complete replacement

#### 4.7. Maintenance of Crisbag® Elements

##### 4.7.1. General Maintenance of Crisbag® Elements

| This table covers tasks for general maintenance of CrisBag® elements. |                                       |                                                 |           |   |   |   |   |   |   |
|-----------------------------------------------------------------------|---------------------------------------|-------------------------------------------------|-----------|---|---|---|---|---|---|
| No.                                                                   | Task                                  | Activations between inspections                 | Frequency |   |   |   |   |   |   |
|                                                                       |                                       |                                                 | D         | W | M | Q | S | A | O |
| 1.                                                                    | Cleaning of photocells and reflectors |                                                 |           |   |   | ✓ |   |   |   |
| 2.                                                                    | General cleaning of elements          |                                                 |           |   |   |   | ✓ |   |   |
| 3.                                                                    | Cleaning of elements with belts       |                                                 |           |   |   |   | ✓ |   |   |
| 4.                                                                    | Cleaning of roller elements           |                                                 |           |   |   |   | ✓ |   |   |
| 5.                                                                    | Inspection of timing belt             | 1,300,000<br>To be replaced after<br>13,440,000 |           |   |   |   | ✓ |   |   |
| 6.                                                                    | Inspection of side guards             |                                                 |           |   |   |   |   |   | ✓ |
| 7.                                                                    | Inspection of cables                  |                                                 |           |   |   |   |   |   | ✓ |

##### 4.7.2. Maintenance of Bottom Covers on Crisbag® Elements

| This table covers tasks for the maintenance of bottom covers on CrisBag® elements.<br>Straight elements, wide elements, curve elements, diverter elements and merger elements. |                            |                                 |           |   |   |   |   |   |   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------|-----------|---|---|---|---|---|---|
| No.                                                                                                                                                                            | Task                       | Activations between inspections | Frequency |   |   |   |   |   |   |
|                                                                                                                                                                                |                            |                                 | D         | W | M | Q | S | A | O |
| 1.                                                                                                                                                                             | Inspection of bottom cover |                                 |           |   |   | ✓ |   |   |   |

##### 4.7.3. Totes

| This table covers the following straight elements:<br>CB5110 (standard baggage tote, SBT) |                                     |                                 |           |   |   |   |   |   |   |
|-------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------|-----------|---|---|---|---|---|---|
| No.                                                                                       | Task                                | Activations between inspections | Frequency |   |   |   |   |   |   |
|                                                                                           |                                     |                                 | D         | W | M | Q | S | A | O |
| 1.                                                                                        | Conveying totes to inspection       | 2,000                           |           |   |   |   | ✓ |   | ✓ |
| 2.                                                                                        | Inspection of tote                  |                                 |           |   |   |   |   |   | ✓ |
| 3.                                                                                        | Cleaning tote                       |                                 |           |   |   |   |   |   | ✓ |
| 4.                                                                                        | Replacing ID label on CrisBag® tote |                                 |           |   |   |   |   |   | ✓ |

#### 4.7.4. Loader Elements

| This table covers the following loader elements:<br>CB5210, CB5211 |                                                   |           |   |   |   |   |   |   |                                          |
|--------------------------------------------------------------------|---------------------------------------------------|-----------|---|---|---|---|---|---|------------------------------------------|
| No.                                                                | Task                                              | Frequency |   |   |   |   |   |   | Reference to procedure<br>Section / Page |
|                                                                    |                                                   | D         | W | M | Q | S | A | O |                                          |
| 1.                                                                 | Inspection of belts (alignment)                   | ✓         |   |   |   |   |   |   | 5.5.3 / 31                               |
| 2.                                                                 | Inspection of belts (general condition)           |           |   | ✓ |   |   |   |   | 5.5.3 / 31                               |
| 3.                                                                 | Inspection of belt guide                          |           |   | ✓ |   |   |   |   | 5.5.4 / 32                               |
| 4.                                                                 | Inspection of drums                               |           |   | ✓ |   |   |   |   | 5.5.5 / 32                               |
| 5.                                                                 | Inspection of sliding plates                      |           |   |   |   | ✓ |   |   | 5.5.6 / 32                               |
| 6.                                                                 | Inspection of motor                               |           |   |   |   | ✓ |   |   | 5.5.7 / 33                               |
| 7.                                                                 | Cleaning of photocells and reflectors on toplayer |           | ✓ |   |   |   |   |   | 5.5.8 / 35                               |

#### 4.7.5. Straight Elements

This table covers the following elements:

Straight elements:

CB5300, CB5301, CB5304, CB5310, CB5311, CB5313, CB5320, CB5326

Acceleration and deceleration elements:

CB5373, CB5374, CB5375, CB5376, CB5381, CB5382, CB5383, CB5384, CB5387, CB5388

Element for VSU:

CB5528

Elements for VTU's:

CB5650, CB5651

EBS elements:

CB5716, CB5717, CB5718

Empty tote storage elements:

CB5755, CB5756, CB5780

| No. | Task                             | Activations between inspections | Frequency |   |   |   |   |   |   | Reference to procedure |
|-----|----------------------------------|---------------------------------|-----------|---|---|---|---|---|---|------------------------|
|     |                                  |                                 | D         | W | M | Q | S | A | O | Section / Page         |
| 1.  | Inspection of belts              | 700,000                         |           |   |   | ✓ |   |   |   | 5.6.1 / 36             |
| 2.  | Inspection of drums              | 1,300,000                       |           |   |   |   | ✓ |   |   | 5.6.2 / 37             |
| 3.  | Inspection of motor and bearings | 1,300,000                       |           |   |   |   | ✓ |   |   | 5.6.3 / 37             |

#### 4.7.6. Curve Elements

| This table covers the following curve elements:<br>CB5330, CB5332, CB5333, CB5334, CB5335, CB5336 |                                  |                                 |           |   |   |   |   |   |   |                                          |
|---------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------|-----------|---|---|---|---|---|---|------------------------------------------|
| No.                                                                                               | Task                             | Activations between inspections | Frequency |   |   |   |   |   |   | Reference to procedure<br>Section / Page |
|                                                                                                   |                                  |                                 | D         | W | M | Q | S | A | O |                                          |
| 1.                                                                                                | Cleaning of wheel bandages       |                                 |           |   |   | ✓ |   |   |   | 5.7.1 / 38                               |
| 2.                                                                                                | Inspection of motor and bearings | 1,300,000                       |           |   |   |   | ✓ |   |   | 5.7.2 / 39                               |
| 3.                                                                                                | Inspection of conical drums      | 1,300,000                       |           |   |   |   | ✓ |   |   | 5.7.3 / 40                               |
| 4.                                                                                                | Inspection of wheel bandages     | 700,000                         |           |   |   | ✓ |   |   |   | 5.7.4 / 40                               |
| 5.                                                                                                | Inspection of conical drums      | 2,600,000                       |           |   |   |   |   | ✓ |   | 5.7.5 / 41                               |

#### 4.7.7. Diverter Elements

| This table covers the following diverter elements:<br>CB5410 |                                                   |                                              |           |   |   |   |   |   |   |                                          |
|--------------------------------------------------------------|---------------------------------------------------|----------------------------------------------|-----------|---|---|---|---|---|---|------------------------------------------|
| No.                                                          | Task                                              | Activations between inspections              | Frequency |   |   |   |   |   |   | Reference to procedure<br>Section / Page |
|                                                              |                                                   |                                              | D         | W | M | Q | S | A | O |                                          |
| 1.                                                           | Inspection of rollers                             | 700,000                                      |           |   |   | ✓ |   |   |   | 5.8.1 / 42                               |
| 2.                                                           | Inspection of the timing belt between the rollers | 1,300,000<br>To be replaced after 13,440,000 |           |   |   |   | ✓ |   |   | 5.8.2 / 43                               |
| 3.                                                           | Inspection of timing belt at diverter arm         | 1,300,000<br>To be replaced after 13,440,000 |           |   |   |   | ✓ |   |   | 5.8.3 / 44                               |
| 4.                                                           | Inspection of side guards                         |                                              |           |   |   |   |   |   | ✓ | 5.8.4 / 45                               |
| 5.                                                           | Inspection of motor and bearings                  |                                              |           |   |   |   |   |   | ✓ | 5.8.5 / 46                               |
| 6.                                                           | Inspection of diverter arm                        |                                              |           |   |   | ✓ |   |   |   | 5.8.6 / 47                               |
| 7.                                                           | Inspection of linear guide                        | 10,000,000                                   |           |   |   |   |   |   | ✓ | 5.8.7 / 48                               |
| 8.                                                           | Inspection of stop block unit                     |                                              |           |   |   | ✓ |   |   |   | 5.8.8 / 48                               |



#### 4.7.8. Merger Elements

| This table covers the following merger elements:<br>CB5410 |                                  |                                                 |           |   |   |   |   |   |   |                                          |
|------------------------------------------------------------|----------------------------------|-------------------------------------------------|-----------|---|---|---|---|---|---|------------------------------------------|
| No.                                                        | Task                             | Activations between inspections                 | Frequency |   |   |   |   |   |   | Reference to procedure<br>Section / Page |
|                                                            |                                  |                                                 | D         | W | M | Q | S | A | O |                                          |
| 1.                                                         | Inspection of rollers            | 700,000                                         |           |   |   | ✓ |   |   |   | 5.9.1 / 50                               |
| 2.                                                         | Inspection of timing belt        | 1,300,000<br>To be replaced after<br>13,440,000 |           |   |   |   | ✓ |   |   | 5.9.2 / 51                               |
| 3.                                                         | Inspection of side guards        |                                                 |           |   |   |   |   |   | ✓ | 5.9.3 / 52                               |
| 4.                                                         | Inspection of cables             |                                                 |           |   |   |   | ✓ |   |   | 5.9.4 / 53                               |
| 5.                                                         | Inspection of motor and bearings |                                                 |           |   |   |   |   |   | ✓ | 5.9.5 / 53                               |

#### 4.7.9. Cross Transfer Elements

| This table covers the following cross transfer elements:<br>CB5455, CB5457, CB5460 |                                                       |                                              |           |   |   |   |   |   |   |                                          |
|------------------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------|-----------|---|---|---|---|---|---|------------------------------------------|
| No.                                                                                | Task                                                  | Activations between inspections              | Frequency |   |   |   |   |   |   | Reference to procedure<br>Section / Page |
|                                                                                    |                                                       |                                              | D         | W | M | Q | S | A | O |                                          |
| 1.                                                                                 | Inspection of belts on straight element               | 700,000                                      |           |   |   |   | ✓ |   |   | 5.10.1 / 55                              |
| 2.                                                                                 | Inspection of belts on cross unit                     | 350,000                                      |           |   |   |   | ✓ |   |   | 5.10.1 / 55                              |
| 3.                                                                                 | Inspection of drums                                   | 1,300,000                                    |           |   |   |   | ✓ |   |   | 5.10.2 / 56                              |
| 4.                                                                                 | Inspection of motor and bearings                      | 1,300,000                                    |           |   |   |   | ✓ |   |   | 5.10.3 / 56                              |
| 5.                                                                                 | Inspection of sensors                                 |                                              |           |   |   |   | ✓ |   |   | 5.10.4 / 57                              |
| 6.                                                                                 | Inspection of running wheels and slide guide for cart | 700,000                                      |           |   |   |   | ✓ |   |   | 5.10.5 / 59                              |
| 7.                                                                                 | Inspection of slideway (running rail)                 | 700,000                                      |           |   |   |   | ✓ |   |   | 5.10.6 / 59                              |
| 8.                                                                                 | Inspection of actuator                                | 700,000<br>To be replaced after<br>2,500,000 |           |   |   |   | ✓ |   |   | 5.10.7 / 60                              |
| 9.                                                                                 | Replenishing grease                                   | Replenished after<br>2,500,000               |           |   |   |   |   |   | ✓ | 5.10.8 / 60                              |
| 10.                                                                                | Inspection of actuator bracket                        | 700,000                                      |           |   |   |   | ✓ |   |   | 5.10.9 / 61                              |

#### 4.7.10. Dynamic Tote`Stacker / Dynamic Tote Destacker

| This list covers the following dynamic tote stacker and dynamic tote destacker:<br>CB5755, CB5756 |                                                                              |                                           |           |   |   |   |   |   |   |
|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------------------|-----------|---|---|---|---|---|---|
| No.                                                                                               | Task                                                                         | Lifetime for wear parts                   | Frequency |   |   |   |   |   |   |
|                                                                                                   |                                                                              |                                           | D         | W | M | Q | S | A | O |
| 1.                                                                                                | Cleaning and adjustment of photocells and reflectors                         |                                           |           |   |   |   | ✓ |   |   |
| 2.                                                                                                | Cleaning of servomotors, grippers, raising/lowering unit etc.                |                                           |           |   |   |   | ✓ |   |   |
| 3.                                                                                                | Inspection for play in bearings on raising/lowering unit and in grippers     | 30,000 hours of operation*                |           |   |   |   | ✓ |   |   |
| 4.                                                                                                | Checking and adjustment of the tension of the timing belts                   | 6,000 hours of operation*                 |           |   |   |   | ✓ |   |   |
| 5.                                                                                                | Inspection for play in the connecting links between servomotors and grippers |                                           |           |   |   |   | ✓ |   |   |
| 6.                                                                                                | Inspection of servomotors                                                    | 1,650,000 hours of operation*             |           |   |   |   | ✓ |   |   |
| 7.                                                                                                | Inspection of cables and cable carrier                                       | Cable carrier: 16,400,000 double travels* |           |   |   |   | ✓ |   |   |
| 8.                                                                                                | Inspection of belts                                                          | 700,000                                   |           |   |   |   | ✓ |   |   |
| 9.                                                                                                | Inspection of drums                                                          | 1,300,000                                 |           |   |   |   |   |   | ✓ |
| 10.                                                                                               | Inspection of motor and bearings                                             | 1,300,000                                 |           |   |   |   | ✓ |   |   |

Note: \* In accordance with the supplier's specifications.

#### 4.7.11. Multi-Dynamic Discharge

| This table covers the following discharge elements:<br>CB5812 |                                                                   |                                 |           |   |   |   |   |   |   |
|---------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------|-----------|---|---|---|---|---|---|
| No.                                                           | Task                                                              | Activations between inspections | Frequency |   |   |   |   |   |   |
|                                                               |                                                                   |                                 | D         | W | M | Q | S | A | O |
| 1.                                                            | Inspection of sub-module                                          |                                 |           |   |   | ✓ |   |   |   |
| 2.                                                            | Inspection of belts                                               | 700,000                         |           |   |   | ✓ |   |   |   |
| 3.                                                            | Inspection of belt wheels, timing belt pulley and bearing housing | 1,300,000                       |           |   |   |   | ✓ |   |   |
| 4.                                                            | Inspection of motor and servo gear motor                          | 1,300,000                       |           |   |   |   | ✓ |   |   |
| 5.                                                            | Inspection of wheels                                              |                                 |           |   |   |   | ✓ |   |   |

#### 4.7.12. Static Discharge, Low Capacity

| This table covers the following element:<br>CB5811 |                                       |                                              |           |   |   |   |   |   |   |                        |
|----------------------------------------------------|---------------------------------------|----------------------------------------------|-----------|---|---|---|---|---|---|------------------------|
| No.                                                | Task                                  | Activations between inspections              | Frequency |   |   |   |   |   |   | Reference to procedure |
|                                                    |                                       |                                              | D         | W | M | Q | S | A | O | Section / Page         |
| 1.                                                 | Cleaning of photocells and reflectors |                                              |           |   |   | ✓ |   |   |   | 5.13.1 / 74            |
| 2.                                                 | Cleaning of element                   |                                              |           |   |   |   | ✓ |   |   | 5.13.2 / 75            |
| 3.                                                 | Inspection of belts                   | 350,000                                      |           |   |   | ✓ |   |   |   | 5.13.3 / 75            |
| 4.                                                 | Inspection of motors                  | 1,300,000                                    |           |   |   |   | ✓ |   |   | 5.13.4 / 76            |
| 5.                                                 | Inspection of drums and bearings      | 1,300,000                                    |           |   |   |   | ✓ |   |   | 5.13.5 / 76            |
| 6.                                                 | Inspection of shaft bearings          | 1,300,000                                    |           |   |   |   | ✓ |   |   | 5.13.6 / 77            |
| 7.                                                 | Inspection of timing belt             | 1,300,000<br>To be replaced after 13,440,000 |           |   |   |   | ✓ |   |   | 5.13.7 / 77            |
| 8.                                                 | Inspection of guide wheels            | 350,000                                      |           |   |   | ✓ |   |   |   | 5.13.8 / 77            |
| 9.                                                 | Inspecting cables                     |                                              |           |   |   |   |   |   | ✓ | 5.13.9 / 77            |

#### 4.7.13. Manual Handling Stations

| This table covers the following manual handling stations:<br>CB5964, CB5971, CB5974, CB5978 |                                      |                                 |           |   |   |   |   |   |   |                        |
|---------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------|-----------|---|---|---|---|---|---|------------------------|
| No.                                                                                         | Task                                 | Activations between inspections | Frequency |   |   |   |   |   |   | Reference to procedure |
|                                                                                             |                                      |                                 | D         | W | M | Q | S | A | O | Section / Page         |
| 10.                                                                                         | Inspection of belts                  | 700,000                         |           |   |   | ✓ |   |   |   | 5.14.1 / 79            |
| 11.                                                                                         | Inspection of drums                  | 1,300,000                       |           |   |   |   | ✓ |   |   | 5.14.2 / 80            |
| 12.                                                                                         | Inspection of motor and bearings     | 1,300,000                       |           |   |   |   | ✓ |   |   | 5.14.3 / 80            |
| 13.                                                                                         | Inspection of wooden side guards     |                                 |           |   |   |   |   |   | ✓ | 5.14.4 / 81            |
| 14.                                                                                         | Inspection of load cells/electronics |                                 | ✓         |   |   |   |   |   | ✓ | 5.14.5 / 81            |

#### 4.7.14. Walk-Through Elements

| This table covers the following walk-through elements:<br>CB5952, CB5954 |                                |                                 |           |   |   |   |   |   |   |                        |
|--------------------------------------------------------------------------|--------------------------------|---------------------------------|-----------|---|---|---|---|---|---|------------------------|
| No.                                                                      | Task                           | Activations between inspections | Frequency |   |   |   |   |   |   | Reference to procedure |
|                                                                          |                                |                                 | D         | W | M | Q | S | A | O | Section / Page         |
| 1.                                                                       | Inspection of tilting bridge   |                                 |           |   |   | ✓ |   |   |   | 5.15.1 / 82            |
| 2.                                                                       | Inspection of proximity switch |                                 |           |   |   | ✓ |   |   |   | 5.15.2 / 83            |
| 3.                                                                       | Inspection of gas spring       |                                 |           |   |   | ✓ |   |   |   | 5.15.3 / 84            |
| 4.                                                                       | Inspection of grating          |                                 |           |   |   | ✓ |   |   |   | 5.15.4 / 85            |



## 4.7.15. Contour Scanner

| This table covers the following contour scanners:<br>CB5910, CB5911, CB5912 |                                                 |                                 |           |   |   |   |   |   |   |
|-----------------------------------------------------------------------------|-------------------------------------------------|---------------------------------|-----------|---|---|---|---|---|---|
| No.                                                                         | Task                                            | Activations between inspections | Frequency |   |   |   |   |   |   |
|                                                                             |                                                 |                                 | D         | W | M | Q | S | A | O |
| 1.                                                                          | Cleaning of light grids and cover for photocell |                                 |           |   |   |   | ✓ |   |   |
| 2.                                                                          | Inspection of element                           |                                 |           |   |   |   |   |   | ✓ |

## 4.7.16. Tote State Verifier, TSV

| This table covers the following Tote State Verifier, TSV:<br>CB5922 |                                       |                                 |           |   |   |   |   |   |   |
|---------------------------------------------------------------------|---------------------------------------|---------------------------------|-----------|---|---|---|---|---|---|
| No.                                                                 | Task                                  | Activations between inspections | Frequency |   |   |   |   |   |   |
|                                                                     |                                       |                                 | D         | W | M | Q | S | A | O |
| 1.                                                                  | Cleaning of photocells and reflectors |                                 |           |   |   | ✓ |   |   |   |

## 4.7.17. Empty Tote Verifier, ETV

| This table covers the following Empty Tote Verifier, ETV:<br>CB5923 |                                       |                                 |           |   |   |   |   |   |   |
|---------------------------------------------------------------------|---------------------------------------|---------------------------------|-----------|---|---|---|---|---|---|
| No.                                                                 | Task                                  | Activations between inspections | Frequency |   |   |   |   |   |   |
|                                                                     |                                       |                                 | D         | W | M | Q | S | A | O |
| 1.                                                                  | Cleaning of photocells and reflectors |                                 |           |   |   | ✓ |   |   |   |

## 4.7.18. Item Height Verifier, IHV

| This table covers the following Item Height Verifier, IHV:<br>CB5924 |                                       |                                 |           |   |   |   |   |   |   |
|----------------------------------------------------------------------|---------------------------------------|---------------------------------|-----------|---|---|---|---|---|---|
| No.                                                                  | Task                                  | Activations between inspections | Frequency |   |   |   |   |   |   |
|                                                                      |                                       |                                 | D         | W | M | Q | S | A | O |
| 1.                                                                   | Cleaning of photocells and reflectors |                                 |           |   |   | ✓ |   |   |   |

## 4.7.19. Stacked Tote Verifier, STV

| This table covers the following stacked tote verifier, STV:<br>CB5925 |                                       |                                 |           |   |   |   |   |   |             |
|-----------------------------------------------------------------------|---------------------------------------|---------------------------------|-----------|---|---|---|---|---|-------------|
| No.                                                                   | Task                                  | Activations between inspections | Frequency |   |   |   |   |   |             |
|                                                                       |                                       |                                 | D         | W | M | Q | S | A | O           |
| 1.                                                                    | Cleaning of photocells and reflectors |                                 |           |   |   | ✓ |   |   |             |
| Reference to procedure<br>Section / Page                              |                                       |                                 |           |   |   |   |   |   | 5.20.1 / 95 |

## 4.7.20. Tote ID Scanner

| This table covers the following tote ID scanner:<br>CB5980 |                      |                                 |           |   |   |   |   |   |             |
|------------------------------------------------------------|----------------------|---------------------------------|-----------|---|---|---|---|---|-------------|
| No.                                                        | Task                 | Activations between inspections | Frequency |   |   |   |   |   |             |
|                                                            |                      |                                 | D         | W | M | Q | S | A | O           |
| 1.                                                         | Inspection of cables |                                 |           |   |   |   |   |   | ✓           |
| Reference to procedure<br>Section / Page                   |                      |                                 |           |   |   |   |   |   | 5.21.1 / 96 |

## 4.7.21. Intermediate Rollers

| This table covers the following intermediate rollers:<br>CB5930, CB5931, CB5932, CB5934, CB5935, CB5937, CB5938, CB5939 |                                                     |                                 |           |   |   |   |   |   |                                              |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|---------------------------------|-----------|---|---|---|---|---|----------------------------------------------|
| No.                                                                                                                     | Task                                                | Activations between inspections | Frequency |   |   |   |   |   |                                              |
|                                                                                                                         |                                                     |                                 | D         | W | M | Q | S | A | O                                            |
| 1.                                                                                                                      | Cleaning of element                                 |                                 |           |   |   |   |   |   | ✓                                            |
| 2.                                                                                                                      | Inspection of rollers                               | 700,000                         |           |   |   |   |   |   | ✓                                            |
| 3.                                                                                                                      | Inspection of rollers parts (CB5935) at EBS element |                                 |           |   |   | ✓ |   |   |                                              |
| Reference to procedure<br>Section / Page                                                                                |                                                     |                                 |           |   |   |   |   |   | 5.22.1 / 102<br>5.22.2 / 103<br>5.22.2 / 103 |

## 4.7.22. ESD Brushes and Curtains

| This table covers the following ESD brushes and curtains:<br>CB5941, CB5942, CB5943, CB5944, CB5945 |                                                                          |                                 |           |   |   |   |   |   |                              |
|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------|-----------|---|---|---|---|---|------------------------------|
| No.                                                                                                 | Task                                                                     | Activations between inspections | Frequency |   |   |   |   |   |                              |
|                                                                                                     |                                                                          |                                 | D         | W | M | Q | S | A | O                            |
| 1.                                                                                                  | Cleaning and checking ESD brushes on straight elements and wide elements |                                 |           |   |   |   | ✓ |   |                              |
| 2.                                                                                                  | Cleaning and checking ESD brushes for dynamic tote stacker/destacker     |                                 |           |   |   |   | ✓ |   |                              |
| Reference to procedure<br>Section / Page                                                            |                                                                          |                                 |           |   |   |   |   |   | 5.23.1 / 105<br>5.23.2 / 106 |

## 4.7.23. Tote Shock Absorber

| Tote shock absorber<br>CB5991 |                       |                                 |           |   |   |   |   |   |   |
|-------------------------------|-----------------------|---------------------------------|-----------|---|---|---|---|---|---|
| No.                           | Task                  | Activations between inspections | Frequency |   |   |   |   |   |   |
|                               |                       |                                 | D         | W | M | Q | S | A | O |
| 1.                            | Cleaning of element   |                                 |           |   |   |   | ✓ |   |   |
| 2.                            | Inspection of element |                                 |           |   |   | ✓ |   |   |   |

## 4.7.24. Vertical Sorting Unit – VSU

| Vertical Sorting Unit – VSU |                                   |                                                 |           |   |   |   |   |   |                |
|-----------------------------|-----------------------------------|-------------------------------------------------|-----------|---|---|---|---|---|----------------|
| No.                         | Task                              | Activations between inspections                 | Frequency |   |   |   |   |   |                |
|                             |                                   |                                                 | D         | W | M | Q | S | A | O              |
| 1.                          | Cleaning of VSU                   |                                                 |           |   |   |   |   |   | ✓ <sup>1</sup> |
| 2.                          | Inspection of VSU                 |                                                 | ✓         |   |   |   |   |   |                |
| 3.                          | Inspection of motors and bearings |                                                 |           | ✓ |   |   |   |   |                |
| 4.                          | Inspection of emergency stop      |                                                 |           |   |   |   |   |   | ✓ <sup>3</sup> |
| 5.                          | Inspection of sensors             |                                                 |           |   | ✓ |   |   |   |                |
| 6.                          | Replacing the toothed belt        |                                                 |           |   |   |   |   |   | ✓ <sup>2</sup> |
| 7.                          | General cleaning of elements      |                                                 |           |   |   |   | ✓ |   |                |
| 8.                          | Cleaning of elements with belts   |                                                 |           |   |   |   | ✓ |   |                |
| 9.                          | Inspection of timing belt         | 1,300,000<br>To be replaced after<br>13,440,000 |           |   |   |   | ✓ |   |                |
| 10.                         | Inspection of cables              |                                                 |           |   |   |   |   |   | ✓              |
| 11.                         | Inspection of side guards         |                                                 |           |   |   |   |   |   | ✓              |
| 9.                          | Inspection of belts               | 700,000                                         |           |   |   | ✓ |   |   |                |
| 10.                         | Inspection of drums               | 1,300,000                                       |           |   |   |   | ✓ |   |                |
| 11.                         | Inspection of motor and bearings  | 1,300,000                                       |           |   |   |   | ✓ |   |                |

## 4.7.25. CB5660 / CB5661 – Lift with Cross Element for SBT

| CB5660 / CB5661 - Lift with cross element for SBT |                                                       |                                                 |           |   |   |   |   |   |                |                        |
|---------------------------------------------------|-------------------------------------------------------|-------------------------------------------------|-----------|---|---|---|---|---|----------------|------------------------|
| No.                                               | Task                                                  | Activations between inspections                 | Frequency |   |   |   |   |   |                | Reference to procedure |
|                                                   |                                                       |                                                 | D         | W | M | Q | S | A | O              | Section / Page         |
| 1.                                                | Cleaning of Lift                                      |                                                 |           |   | ✓ |   |   |   |                | 5.26.1.1 / 111         |
| 2.                                                | Inspection of Lift                                    |                                                 | ✓         |   |   |   |   |   |                | 5.26.1.2 / 111         |
| 3.                                                | Inspection of motors and bearings                     |                                                 |           | ✓ |   |   |   |   |                | 5.26.1.3 / 111         |
| 4.                                                | Inspection of motors and bearing lubrication leakage  |                                                 |           |   | ✓ |   |   |   |                | 5.26.1.4 / 111         |
| 5.                                                | Inspection of emergency stop                          |                                                 |           |   |   |   |   |   | ✓ <sup>3</sup> | 5.26.1.4 / 111         |
| 6.                                                | Inspection of sensors                                 |                                                 |           |   | ✓ |   |   |   |                | 5.26.1.6 / 112         |
| 7.                                                | Inspection of screws and bolts                        |                                                 |           |   |   | ✓ |   |   |                | 5.26.1.7 / 112         |
| 8.                                                | Cleaning the photocells and reflectors                |                                                 |           |   |   | ✓ |   |   |                | 5.1.1 / 24             |
| 9.                                                | General cleaning of the elements                      |                                                 |           |   |   |   | ✓ |   |                | 5.1.2 / 25             |
| 10.                                               | Cleaning of elements with belts                       |                                                 |           |   |   |   | ✓ |   |                | 5.1.3 / 25             |
| 11.                                               | Inspection of timing belt                             | 1,300,000<br>To be replaced after<br>13,440,000 |           |   |   |   | ✓ |   |                | 5.2.1 / 25             |
| 12.                                               | Inspection of side guards                             |                                                 |           |   |   |   |   |   | ✓              | 5.2.2 / 26             |
| 13.                                               | Inspection of cables                                  |                                                 |           |   |   |   |   |   | ✓              | 5.2.3 / 26             |
| 14.                                               | Inspection of belts on cross unit                     | 350,000                                         |           |   |   | ✓ |   |   |                | 5.10.1 / 55            |
| 15.                                               | Inspection of drums                                   | 1,300,000                                       |           |   |   |   | ✓ |   |                | 5.10.2 / 56            |
| 16.                                               | Inspection of motor and bearings                      | 1,300,000                                       |           |   |   |   | ✓ |   |                | 5.10.3 / 56            |
| 17.                                               | Inspection of sensors                                 |                                                 |           |   |   |   | ✓ |   |                | 5.10.4 / 57            |
| 18.                                               | Inspection of running wheels and slide guide for cart | 700,000                                         |           |   |   |   | ✓ |   |                | 5.10.5 / 59            |
| 19.                                               | Inspection of slideway (running rail)                 | 700,000                                         |           |   |   |   | ✓ |   |                | 5.10.6 / 59            |
| 20.                                               | Inspection of actuator                                | 700,000<br>To be replaced after<br>2,500,000    |           |   |   | ✓ |   |   |                | 5.10.7 / 60            |
| 21.                                               | Replenishing grease                                   | Replenished after<br>2,500,000                  |           |   |   |   |   |   | ✓              | 5.10.8 / 60            |
| 22.                                               | Inspection of actuator bracket                        | 700,000                                         |           |   |   |   | ✓ |   |                | 5.10.9 / 61            |



## 4.7.26. Power Control and Distribution Elements

**Main Power Panels**

| This schedule covers the following main power panels:<br>CB900x |                                                         |                                 |           |   |   |   |   |   |   |                                          |
|-----------------------------------------------------------------|---------------------------------------------------------|---------------------------------|-----------|---|---|---|---|---|---|------------------------------------------|
| No.                                                             | Task                                                    | Activations between inspections | Frequency |   |   |   |   |   |   | Reference to procedure<br>Section / Page |
|                                                                 |                                                         |                                 | D         | W | M | Q | S | A | O |                                          |
| 1.                                                              | Cleaning/inspection of power panels                     |                                 |           |   |   |   |   |   | ✓ | 5.27.1.1 / 113                           |
| 2.                                                              | Lamp test                                               |                                 |           |   | ✓ |   |   |   |   | 5.27.1.2 / 114                           |
| 3.                                                              | Replacement of ventilation filter mats                  |                                 |           |   |   | ✓ |   |   |   | 5.27.1.3 / 114                           |
| 4.                                                              | Replacement of PLC Power supply module backup batteries |                                 |           |   |   |   |   | ✓ |   | 5.27.1.4 / 116                           |

**Electrical Boxes and Panels**

| This schedule covers the following electrical boxes and panels:<br>CB9010 |                                                    |                                 |           |   |   |   |   |   |   |                                          |
|---------------------------------------------------------------------------|----------------------------------------------------|---------------------------------|-----------|---|---|---|---|---|---|------------------------------------------|
| No.                                                                       | Task                                               | Activations between inspections | Frequency |   |   |   |   |   |   | Reference to procedure<br>Section / Page |
|                                                                           |                                                    |                                 | D         | W | M | Q | S | A | O |                                          |
| 1.                                                                        | Cleaning/inspection of electrical boxes and panels |                                 |           |   |   |   |   |   | ✓ | 5.27.2.1 / 118                           |

## 5. Maintenance of Conveyor Elements

### 5.1. Preventative Maintenance Schedules

| Interval                         | Components                | Unusual Noise | Lubrication/<br>Oil Levels | Proper<br>Tension | Normal<br>Wear | Alignment/<br>Position | Fasteners/<br>Setscrews | Cleanliness | Physical | Proper<br>Operation |
|----------------------------------|---------------------------|---------------|----------------------------|-------------------|----------------|------------------------|-------------------------|-------------|----------|---------------------|
| <b>Daily</b><br>(8 Hours)        | Personnel Walkways        |               |                            |                   |                |                        |                         | X           | X        |                     |
|                                  | Safety Guards and Devices |               |                            |                   |                | X                      | X                       |             | X        |                     |
|                                  | General Conveyor          | X             |                            |                   |                |                        |                         | X           | X        | X                   |
| <b>Weekly</b><br>(40 Hours)      | Gear Reducer/Motor        | X             |                            |                   |                |                        |                         |             |          |                     |
|                                  | Conveyor Control Devices  |               |                            |                   |                |                        |                         | X           |          | X                   |
|                                  | General Conveyor          |               |                            |                   |                | X                      |                         |             |          |                     |
| <b>Monthly</b><br>(160 Hours)    | Safety Devices            |               |                            |                   |                |                        |                         |             |          | X                   |
|                                  | General Conveyor          |               |                            |                   | X              |                        |                         |             |          |                     |
|                                  | Gear Reducer/Motor        |               | X                          |                   |                |                        | X                       |             | X        |                     |
|                                  | Mounted Bearings          | X             |                            |                   |                |                        | X                       |             | X        |                     |
|                                  | Chains/Sprockets          | X             |                            | X                 | X              |                        |                         |             | X        |                     |
|                                  | Pulleys                   |               |                            |                   | X              | X                      |                         |             | X        |                     |
|                                  | Belt                      |               |                            | X                 | X              | X                      |                         | X           | X        |                     |
| <b>Quarterly</b>                 | Photoeyes                 |               |                            |                   |                | X                      |                         | X           | X        | X                   |
| <b>Bi-Yearly</b><br>(Six Months) | Drive Chains              | X             | X                          | X                 | X              | X                      | X                       | X           | X        | X                   |

### 5.2. Preventive Maintenance Daily Schedule

| Interval                         | Components                | Unusual Noise | Lubrication/<br>Oil Levels | Proper<br>Tension | Normal<br>Wear | Alignment/<br>Position | Fasteners/<br>Setscrews | Cleanliness | Physical | Proper<br>Operation |
|----------------------------------|---------------------------|---------------|----------------------------|-------------------|----------------|------------------------|-------------------------|-------------|----------|---------------------|
| <b>Daily</b><br>(8 Hours)        | Personnel Walkways        |               |                            |                   |                |                        |                         | X           | X        |                     |
|                                  | Safety Guards and Devices |               |                            |                   |                | X                      | X                       |             | X        |                     |
|                                  | General Conveyor          | X             |                            |                   |                |                        |                         | X           | X        | X                   |
| <b>Weekly</b><br>(40 Hours)      | Gear Reducer/Motor        | X             |                            |                   |                |                        |                         |             |          |                     |
|                                  | Conveyor Control Devices  |               |                            |                   |                |                        |                         | X           |          | X                   |
|                                  | General Conveyor          |               |                            |                   |                | X                      |                         |             |          |                     |
| <b>Monthly</b><br>(160 Hours)    | Safety Devices            |               |                            |                   |                |                        |                         |             |          | X                   |
|                                  | General Conveyor          |               |                            |                   | X              |                        |                         |             |          |                     |
|                                  | Gear Reducer/Motor        |               | X                          |                   |                |                        | X                       |             | X        |                     |
|                                  | Mounted Bearings          | X             |                            |                   |                |                        | X                       |             | X        |                     |
|                                  | Chains/Sprockets          | X             |                            | X                 | X              |                        |                         |             | X        |                     |
|                                  | Pulleys                   |               |                            |                   | X              | X                      |                         |             | X        |                     |
|                                  | Belt                      |               |                            | X                 | X              | X                      |                         | X           | X        |                     |
| <b>Quarterly</b>                 | Photoeyes                 |               |                            |                   |                | X                      |                         | X           | X        | X                   |
| <b>Bi-Yearly</b><br>(Six Months) | Drive Chains              | X             | X                          | X                 | X              | X                      | X                       | X           | X        | X                   |

### 5.3. Preventive Maintenance Weekly Schedule

| Interval                      | Components               | Unusual Noise<br>or Vibration | Alignment/<br>Position | Fasteners/<br>Setscrews | Cleanliness | Proper<br>Operation | Comments |
|-------------------------------|--------------------------|-------------------------------|------------------------|-------------------------|-------------|---------------------|----------|
| <b>Weekly</b><br>(Note Day)   | Gear Reducer/Motor       |                               |                        |                         |             |                     |          |
|                               | Conveyor Control Devices |                               |                        |                         |             |                     |          |
|                               | General Conveyor         |                               |                        |                         |             |                     |          |
| NOTE:<br>1.<br>2.<br>3.<br>4. |                          |                               |                        |                         |             |                     |          |

#### 5.4. Preventive Maintenance Monthly Schedule

| Interval      | Components         | Unusual Noise<br>or Vibration | Lubrication/<br>Oil Levels | Proper<br>Tension | Normal<br>Wear | Alignment/<br>Position | Fasteners/<br>Setscrews | Cleanliness | Physical<br>Condition | Proper<br>Operation | Unusual Noise<br>or Vibration |
|---------------|--------------------|-------------------------------|----------------------------|-------------------|----------------|------------------------|-------------------------|-------------|-----------------------|---------------------|-------------------------------|
| <b>Week 1</b> | Safety Devices     |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | General Conveyor   |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Gear Reducer/Motor |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Mounted Bearings   |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Chains/Sprockets   |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Pulleys            |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Belt               |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Photoeyes          |                               |                            |                   |                |                        |                         |             |                       |                     |                               |



| Interval      | Components         | Unusual Noise<br>or Vibration | Lubrication/<br>Oil Levels | Proper<br>Tension | Normal<br>Wear | Alignment/<br>Position | Fasteners/<br>Setscrews | Cleanliness | Physical<br>Condition | Proper<br>Operation | Unusual Noise<br>or Vibration |
|---------------|--------------------|-------------------------------|----------------------------|-------------------|----------------|------------------------|-------------------------|-------------|-----------------------|---------------------|-------------------------------|
| <b>Week 2</b> | Safety Devices     |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | General Conveyor   |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Gear Reducer/Motor |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Mounted Bearings   |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Chains/Sprockets   |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Pulleys            |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Belt               |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Photoeyes          |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
| <b>Week 3</b> | Safety Devices     |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | General Conveyor   |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Gear Reducer/Motor |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Mounted Bearings   |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Chains/Sprockets   |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Pulleys            |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Belt               |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Photoeyes          |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
| <b>Week 4</b> | Safety Devices     |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | General Conveyor   |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Gear Reducer/Motor |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Mounted Bearings   |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Chains/Sprockets   |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Pulleys            |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Belt               |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|               | Photoeyes          |                               |                            |                   |                |                        |                         |             |                       |                     |                               |

| Interval        | Components         | Unusual Noise<br>or Vibration | Lubrication/<br>Oil Levels | Proper<br>Tension | Normal<br>Wear | Alignment/<br>Position | Fasteners/<br>Setscrews | Cleanliness | Physical<br>Condition | Proper<br>Operation | Unusual Noise<br>or Vibration |
|-----------------|--------------------|-------------------------------|----------------------------|-------------------|----------------|------------------------|-------------------------|-------------|-----------------------|---------------------|-------------------------------|
| <b>Week 5</b>   | Safety Devices     |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|                 | General Conveyor   |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|                 | Gear Reducer/Motor |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|                 | Mounted Bearings   |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|                 | Chains/Sprockets   |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|                 | Pulleys            |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|                 | Belt               |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|                 | Photoeyes          |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
| <b>Comments</b> |                    |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|                 |                    |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|                 |                    |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|                 |                    |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|                 |                    |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|                 |                    |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
|                 |                    |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
| NOTE:           |                    |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
| 1.              |                    |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
| 2.              |                    |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
| 3.              |                    |                               |                            |                   |                |                        |                         |             |                       |                     |                               |
| 4.              |                    |                               |                            |                   |                |                        |                         |             |                       |                     |                               |

### 5.5. Preventive Maintenance Yearly Checklist

| Interval                       | Components                | Sprocket<br>Wear | Chain<br>Wear | Damaged<br>Links | Excessive Chain | Damaged<br>Frame | Comments |
|--------------------------------|---------------------------|------------------|---------------|------------------|-----------------|------------------|----------|
| <b>Yearly<br/>(Note Month)</b> | Drive Chain and Sprockets |                  |               |                  |                 |                  |          |
| NOTE:                          |                           |                  |               |                  |                 |                  |          |
| 1.                             |                           |                  |               |                  |                 |                  |          |
| 2.                             |                           |                  |               |                  |                 |                  |          |
| 3.                             |                           |                  |               |                  |                 |                  |          |
| 4.                             |                           |                  |               |                  |                 |                  |          |

## 5.6. Preventive Maintenance Two-Year Checklist

| Interval                       | Components           | Replace Motors<br>(as required) | Comments |
|--------------------------------|----------------------|---------------------------------|----------|
| <b>2-Year<br/>(Note Month)</b> | Overall Drive System |                                 |          |
| NOTE:<br>1.<br>2.<br>3.<br>4.  |                      |                                 |          |

## 5.7. Slope Plate Preventive Maintenance Schedules

| Preventive Maintenance Program<br>Model 30 - Slope Plate      |    |    |    |    |    |                |    |    |    |                                  |  |
|---------------------------------------------------------------|----|----|----|----|----|----------------|----|----|----|----------------------------------|--|
| Client                                                        |    |    |    |    |    |                |    |    |    |                                  |  |
| System Description                                            |    |    |    |    |    |                |    |    |    |                                  |  |
| Contract Number                                               |    |    |    |    |    | Date Installed |    |    |    |                                  |  |
| Installed at:                                                 |    |    |    |    |    |                |    |    |    |                                  |  |
| Inspection Engineer:                                          |    |    |    |    |    | Signature:     |    |    |    |                                  |  |
| on behalf of:                                                 |    |    |    |    |    | Date Checked:  |    |    |    |                                  |  |
| Address:                                                      |    |    |    |    |    |                |    |    |    |                                  |  |
| Unit Number                                                   |    |    |    |    |    |                |    |    |    | Comments, Corrective<br>Required |  |
| Daily Checks                                                  |    |    |    |    |    |                |    |    |    |                                  |  |
|                                                               | OK | OK | OK | OK | OK | OK             | OK | OK | OK | OK                               |  |
| Safety Procedures & Tagouts                                   |    |    |    |    |    |                |    |    |    |                                  |  |
| Clear Debris prior to start up                                |    |    |    |    |    |                |    |    |    |                                  |  |
| Check Guarding, Safety switches and E stops prior to start up |    |    |    |    |    |                |    |    |    |                                  |  |
| Mechanical Running & Visual Check                             |    |    |    |    |    |                |    |    |    |                                  |  |
| Check for excessive bearing noise                             |    |    |    |    |    |                |    |    |    |                                  |  |
| Monthly Inspection/Services                                   |    |    |    |    |    |                |    |    |    |                                  |  |
| Excessive Gearbox Temperature                                 |    |    |    |    |    |                |    |    |    |                                  |  |
| Check Gearbox leaks                                           |    |    |    |    |    |                |    |    |    |                                  |  |
| Check Drive Unit Fastenings                                   |    |    |    |    |    |                |    |    |    |                                  |  |
| Check Support Wheels, Upper and Lower                         |    |    |    |    |    |                |    |    |    |                                  |  |
| Check Nylon Spine ties                                        |    |    |    |    |    |                |    |    |    |                                  |  |

| Quarterly Inspection/Services                                    |  |  |  |  |  |  |  |  |  |  |  |
|------------------------------------------------------------------|--|--|--|--|--|--|--|--|--|--|--|
| Sprocket Alignment<br>Caterpillar Chain<br>Tension & Lubrication |  |  |  |  |  |  |  |  |  |  |  |
| Check Gearbox oil<br>levels                                      |  |  |  |  |  |  |  |  |  |  |  |
| Link plate & link bolt<br>visual inspection                      |  |  |  |  |  |  |  |  |  |  |  |
| Annual Inspection/Services                                       |  |  |  |  |  |  |  |  |  |  |  |
| Link bolt torque check                                           |  |  |  |  |  |  |  |  |  |  |  |
| Replace gearbox oil (at<br>specified hours)                      |  |  |  |  |  |  |  |  |  |  |  |

## **Attachment 1 to Appendix A – BHS Inspection Checklists**

### **1. Required Inspections and Checklists**

A variety of inspections and checklists are required under these requirements. At a minimum, the Contractor must use the Original Equipment Manufacturers (OEM) checklist provided in the BHS and/or component Operation and Maintenance Manuals. In the event OEM checklists are not available, the Contractor may use the inspection checklists provided in this document or submit comparable checklists for approval to SFO.

### **2. Checklist Completion**

Checklists are to be completed as inspection items are accomplished. Completed checklists are to be retained and available for review by SFO for the duration specified by SFO for each checklist. Completed checklists may be entered into an automated MMS. All information, including responsible inspector's name, must be included, and records maintained for the duration required in this Attachment.

At the conclusion of this Agreement, all completed checklists retained by the Contractor (electronically and/or in printed form) shall be turned over to, and become the property of, SFO.

### **3. Detailed Plan**

The Contractor shall develop a detailed plan, including schedules, of how inspections will be accomplished and include it in the Maintenance Plan developed by the Contractor and approved by SFO.

|                   |                                                                               |
|-------------------|-------------------------------------------------------------------------------|
| D = Daily         | Daily                                                                         |
| W = Weekly        | Max. 50 hours of operation                                                    |
| M = Monthly       | Max. 200 hours of operation                                                   |
| Q = Quarterly     | Max. 600 hours of operation                                                   |
| S = Semi-annually | Max. 1200 hours of operation                                                  |
| A = Annually      | Max. 2400 hours of operation                                                  |
| O = Other         | In connection with other maintenance tasks                                    |
| O = Other         | When required or in connection with other maintenance work                    |
| O = Other         | Every 4 years or after 2,500,000 single strokes                               |
| O = Other         | Make sure to comply with local requirements for safety and working conditions |

Maintenance tasks are performed after the number of activations indicated in the column "Activations between inspections" and no later than the deadline indicated under "Frequency".

### **4. Daily Operator Checklist**

The Contractor must complete the daily checklist. All discrepancies are to be noted on the form for maintenance attention. Individual components of the BHS shall be removed from service for repair and/or further maintenance inspection immediately, if any defect or condition affecting a safe operation is found or suspected. All operational checks and observations per the operator's training materials and the OEM operator's manuals shall be conducted with each operation of the BHS as required. Completed Daily Operator Checklists shall be retained for a rolling one-year period.

### **5. Weekly Preventive Maintenance Checklist**

Trained maintenance personnel must complete the weekly checklist. All discrepancies are to be noted on the form. Discrepancies not immediately corrected must be scheduled for further maintenance attention.

Individual components of the BHS shall be removed from service for repair and/or further maintenance inspection immediately, if any defect or condition affecting a safe operation is found or suspected. Completed Weekly Preventive Maintenance Checklists shall be retained for a rolling two-year period.

#### **6. Bi-Weekly Preventive Maintenance Checklist**

Trained maintenance personnel must complete the bi-weekly (every 2 weeks) checklist. All discrepancies are to be noted on the form. Discrepancies not immediately corrected must be scheduled for further maintenance attention. Individual components of the BHS shall be removed from service for repair and/or further maintenance inspection immediately, if any defect or condition affecting a safe operation is found or suspected. Completed Bi-Weekly Preventive Maintenance Checklists shall be retained for a rolling two-year period.

#### **7. Monthly Preventive Maintenance Checklist**

Trained maintenance personnel must complete the monthly checklist. All discrepancies are to be noted on the form. Discrepancies not immediately corrected must be scheduled for further maintenance attention. Individual components of the BHS shall be removed from service for repair and/or further maintenance inspection immediately, if any defect or condition affecting a safe operation is found or suspected. Completed Monthly Preventive Maintenance Checklists shall be retained for a rolling two-year period.

#### **8. Quarterly Preventive Maintenance Checklist**

Trained maintenance personnel must complete the quarterly checklist. All discrepancies are to be noted on the form. Discrepancies not immediately corrected must be scheduled for further maintenance attention. Individual components of the BHS shall be removed from service for repair and/or further maintenance inspection immediately, if any defect or condition affecting a safe operation is found or suspected. Completed Quarterly Preventive Maintenance Checklists shall be retained for a rolling two-year period.

#### **9. Semi-Annual Preventive Maintenance Checklist**

Trained maintenance personnel must complete the semi-annual checklist. All discrepancies are to be noted on the form. Discrepancies not immediately corrected must be scheduled for further maintenance attention. Individual components of the BHS shall be removed from service for repair and/or further maintenance inspection immediately, if any defect or condition affecting a safe operation is found or suspected. Completed Semi-Annual Preventive Maintenance Checklists shall be retained for a rolling two-year period.

#### **10. Annual Preventive Maintenance Checklist**

Trained maintenance personnel must complete the annual checklist. All discrepancies are to be noted on the form. Discrepancies not immediately corrected must be scheduled for further maintenance attention. Individual components of the BHS shall be removed from service for repair and/or further maintenance inspection immediately if any defect or condition affecting a safe operation is found or suspected. Completed Annual Preventive Maintenance Checklists shall be retained for the duration of this Agreement.

## **Attachment 2 to Appendix A – BHS Controls and Related Hardware, Software, Software License, and Infrastructure Maintenance and Operation**

### **1. General**

The Contractor shall comply with all Airport policies and requirements regarding operation, maintenance, support and security (physical and Cyber Security) of airport owned software, hardware and network infrastructure under its responsibility as defined in Exhibit 1.

The Airport may audit, monitor, inspect or test any or all aspects of the contractor's use, maintenance, or operations of the airport owned software, hardware or network infrastructure under this scope of work or provided by the Airport for use by the contractor to ensure compliance with Airport cybersecurity requirements. The contractor shall fully cooperate with these activities without delay.

### **2. Standards and Practices**

The Contractor shall provide all services in accordance with procedures that meet or exceed applicable government standards and policies and industry best practices in project management, maintenance, engineering, cyber security and quality assurance. Examples of the standards and recommended practices include but are not limited to the current versions of the following:

- TSA Planning Guidelines and Design Standards for Checked Baggage Inspection Systems Version 5.0 or the version under which the system, sub-system, or component was originally certified by the TSA.
- Industrial Control Systems Cyber Emergency Response Team Recommended Practices: <https://ics-cert.us-cert.gov/Recommended-Practices>
- Regulations Implementing the Support Anti-Terrorism by Fostering Effective Technologies Act of 2002 (the SAFETY Act) <https://www.safetyact.gov/>
- TSA Sensitive Security Information (SSI): <https://www.tsa.gov/for-industry/sensitive-security-information>
- Catalog of Control Systems Security: Recommendations for Standards Developers [www.us-cert.gov](http://www.us-cert.gov)

### **3. Coordination with SFO**

- The Contractor shall cooperate fully with SFO's Information Technology and Telecommunications (ITT) Division, including Cyber Security and Network departments in troubleshooting, fault resolution, audits, inspections, monitoring and incident response regarding SFO owned equipment, software, and networks.
- SFO ITT – Cyber Security will be the lead agency in directing the response to and mitigation of any cyber security incidents involving SFO equipment, software, or networks.
- The Contractor shall report any cyber security incidents, or suspected cyber security incidents involving SFO equipment, software, or networks to SFO immediately after

discovery of such incidents or suspected incidents. This requirement shall include incidents or suspected incidents involving The Contractor's connection(s) (VLAN) with SFO's network(s).

#### **4. Description of Software License and Software Services**

##### **4.1 Software License, Software Maintenance and Support**

- 4.1.1 Subject to the terms and conditions of this Agreement, Contractor hereby grants City a non-exclusive and non-transferable perpetual license to use Licensed Software installed on the BHS including, but not limited to, software for operating systems, network software and applications. City acknowledges and agrees that the Licensed Software is the proprietary information of Contractor, and/or Contractor's licensors, and that this Agreement grants City no title or right of ownership in the Licensed Software other than the Licensed Software expressly granted herein. Contractor hereby warrants that it has title to and/or the authority to grant a license of the Licensed Software to City.
- 4.1.2 The Contractor shall maintain and support all Licensed Software (operating systems, network software and applications) currently used by or for systems and devices currently within the Scope of Services or as may be added from time to time.
- 4.1.3 The Contractor shall maintain a comprehensive inventory of all installed software (including operating systems, network software and applications), including, for third-party software, the entities providing the software licenses and software support, and the expiration dates of those licenses and support agreements, in a form and format acceptable to the Airport. This inventory shall be provided to the City on a bi-annual basis, or if requested, on demand. If The Contractor seeks to replace, add, or delete a software provider, Contractor shall provide the City with written notice, and shall not make the change until the City provides written approval of the change.
- 4.1.4 The Contractor shall ensure that all installed Licensed Software (operating systems network software and applications) is under OEM support, and shall monitor OEM version life cycle plans and provide the Airport with migration plans at a minimum of one (1) year prior to announced end of support dates to insure that all software (operating systems, network software and applications) remains continuously under full OEM support. The Contractor shall maintain and renew all necessary and required software licenses and software support agreements prior to the expiry date, insuring continuous availability and coverage. Contractor hereby warrants that it has title to and/or the authority to grant a license of the Licensed Software to City. Contractor warrants that the Licensed Software and all updates and improvements to the Licensed Software are free from defects as to design, material, and workmanship and will perform in accordance with the published specifications.
- 4.1.5 The Contractor shall track the release of all upgrades or revisions to installed software (operating systems network software and applications) and review such upgrades and revisions for applicability and potential benefits. This analysis shall be presented to the Airport for a decision to proceed with the upgrade or revision or not. Security related patches are not considered upgrades or revisions for purposes of this section.



- 4.1.6 The Contractor shall develop and implement a configuration management program including a patch management program and other elements recommended for such programs for the Baggage Handling and Tracking Controls Systems. This program shall be developed, implemented, and operated in conjunction with the Airport's ITT Cyber Security and Operations and Security – Airport Systems departments. For reference, an overview of recommendations for a configuration management program including patch management can be found on The Industrial Control Systems Cyber Emergency Response Team (ICS-CERT) website at <https://ics-cert.us-cert.gov/>. The Components of the program shall include but not be limited to the following:
  - 4.1.5.1 Patch release and threat monitoring focused specifically on all installed operating systems, network software and application software and general applicability to Industrial Control Systems (ICS) and Supervisory Control and Data Acquisition (SCADA) systems. Use of industry sources such as The Industrial Control Systems Cyber Emergency Response Team (ICS-CERT) at <https://ics-cert.us-cert.gov/> are recommended.
  - 4.1.5.2 Establishing and operating a reviewing process for all potentially relevant patches to determine applicability, vulnerability and urgency using industry best practices and methods as approved by the Airport. The Airport's ITT Cyber Security and Operations staff shall be included in this process.
  - 4.1.5.3 Testing of all patches prior to installation to ensure their effectiveness in accomplishing the stated purpose or objective of the patch and that the patch does not cause conflicts with coexisting applications.
  - 4.1.5.4 Installation and operational testing of patches at times acceptable to the Airport and other stakeholders, generally during a maintenance window established by the Airport and during overnight hours.
- 4.1.6 The Contractor shall ensure that thorough compatibility testing has been completed prior to implementation of any changes to software and/or operating systems.

## 4.2 Hardware Maintenance and Support

- 4.2.1 The Contractor shall maintain and support all hardware used by or for systems within the Scope of Work and may be added from time to time. Uninterruptible Power Supplies (UPS) used for baggage system components are included in this scope.
- 4.2.2 The Contractor shall maintain a comprehensive inventory of all installed hardware, including, for all third-party hardware, the entities providing the hardware support, and the expiration dates of those support agreements, in a form and format acceptable to the Airport. This inventory shall be provided to the City on a bi-annual basis, or if requested, on-demand. If Contractor seeks to replace, add, or delete a hardware provider, Contractor shall provide the City with written notice, and shall not make the change until the City provides written approval of the change.
- 4.2.3 The Contractor shall maintain and renew all required hardware support agreements prior to the expiry date, insuring continuous availability and coverage.
- 4.2.4 The Contractor shall track warranty coverage availability for all hardware and take full advantage of warranty coverage that is available. The Contractor will be fully

responsible for any costs incurred due to failure to take full advantage of available warranties.

- 4.2.5 The Contractor shall carry out a program of Preventative Maintenance (PM) applicable to the specific hardware in order to assure optimal performance, reliability and useful life. The PM requirements, including tasks and frequencies are provided in Exhibit 1 of this document.
- 4.2.6 The Contractor and the Airport's Project Manager shall periodically review and revise the PM requirements to ensure effectiveness.
- 4.2.7 The Contractor shall monitor the hardware operational parameters to ensure that the systems are stable and no resource limitations are in danger of being exceeded over time and to identify problematic trends before operational impacts occur due to system resource limitations.
- 4.2.8 The parameters monitored shall be reviewed with the Airport's Project Manager annually and any time an event or an outage identifies an unmonitored critical parameter. Parameters monitored shall include at a minimum:
  - Available disk space
  - CPU utilization
  - Memory utilization
  - PLC scan times
- 4.2.9 The Contractor shall provide detailed reports illustrating the parameters of system resources monitored in a format to be approved by the Airport.
- 4.2.10 Each monitored parameter shall have identified and graphically represented limits for critical, high, low, and normal values as applicable.
- 4.2.11 Reports shall be compiled weekly and submitted to the Airport monthly and used by the Contractor's maintenance and support staff to diagnose and correct problems before they impact system operations.

### **4.3 Systems Documentation**

- 4.3.1 The Contractor shall provide and maintain documentation supporting BHS operations and maintenance for all Airport owned equipment and systems including hardware, software and operating procedures.
- 4.3.2 The Contractor shall maintain an effective change management program documenting all changes to the system's hardware and software installations configurations and functionality.
- 4.3.3 The Contractor shall contribute documentation to the Airport's comprehensive electronic library of Airport-wide Baggage Handling Systems reference documents sourced through the Airport and its contractors. This electronic library is provided as a reference for, and shall be accessible by, users and maintainers of Airport-owned BHS. Access is controlled by the Airport based upon user's needs. The Contractor's proprietary source code is not included in this requirement and is addressed elsewhere in this agreement.

- 4.3.3.1 The library shall include, but not be limited to, as-built documents for the motor control panels (MCP), Networks, BHS mechanical, electrical and controls drawings, component specifications and user/maintenance manuals.
- 4.3.3.2 If existing reference documents are insufficient or unavailable, the Airport may request that documents be sourced or prepared by the Contractor as a contracted service.
- 4.3.4 The Contractor shall maintain access to up-to-date source code for software and systems included in the scope of work, including back up files.
  - 4.3.4.1 All up to date back up files are to be stored on and off site.
  - 4.3.4.2 Proprietary code of suppliers used by BEUMER Corporation, other than the Contractor, that is not directly available to the Contractor shall be held by and immediately available from the supplier(s) under the required service agreement(s) between the Contractor and the third party supplier(s).
- 4.3.5 All reference documents shall be available for review by Airport personnel.
- 4.3.6 Cyber security best practices as approved by the Airport, and TSA SSI procedures shall be strictly applied to all information handling and storage processes.

#### **4.4 System Failures and Outages**

- 4.4.1 The Contractor shall provide detailed plans for managing unplanned system failures and outages including:
  - Contingency and mitigation plans
  - Communications plans for notification, response and recovery.
  - Escalation plans
- 4.4.2 The Contractor shall provide incident reports, including time lines, root cause analysis, and mitigation plans for unplanned system outages and failures. Preliminary incident reports shall be submitted to the Airport as soon as possible and in no case more than eight (8) hours after the onset of a system outage or other significant service-failure event. Final incident reports must be submitted to the Airport within ten (10) business days of each event.
- 4.4.3 Backup and Disaster Recovery - The Contractor shall maintain all required backups, software, and documented procedures to perform disaster recovery of the Baggage Handling Control Systems (ICS System Controller, PLCs, control system networks (e.g. PROFIBUS (Process Field Bus), AS-Interface (Actuator Sensor Interface, ASi), PROFINET (Process Field Net)) from new replacement hardware.
  - 4.4.3.1 Where practical, these procedures shall be tested to demonstrate the completeness and successful implementation of these procedures.
  - 4.4.3.2 All backup and recovery procedures shall be reviewed with and approved by the Airport on an annual basis.

#### **4.5 Reporting**

- 4.5.1 The Contractor shall submit written and electronic reports as requested by the Airport.

The timely submission of all reports is a necessary and material to the terms and conditions of this Agreement. The format of such reports shall be determined by the

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

4.5.2 The Contractor shall provide daily and monthly reports of maintenance and support activities as shown in Table 2, in a format approved by the Airport, which must be submitted to the Airport on a monthly basis as a condition of monthly invoice payments.

4.5.3 The Contractor shall provide written meeting notes for all project-related meetings in a format approved by the Airport, distributed no later than three (3) working days after each meeting. The schedule and frequency of regular and special purpose meetings shall be at the Airport's discretion.

#### **4.6 Data**

4.6.1 The Contractor shall provide all data generated in the operation and maintenance of the BHS to SFO in a format and manner acceptable to SFO.

4.6.2 Data to be provided shall include but not be limited to baggage tracking, routing, sorting and status data.

4.6.3 The data may be required "real time" (as generated) or on a deferred basis at the discretion of SFO.

## Exhibit 1 Hardware, Software and Related Equipment

### 1. General

This Exhibit provides a listing of Hardware, Software, and related equipment to be operated, maintained and supported under this Agreement. The detailed inventory(ies) were deemed current at the effective date of the agreement and are subject to change from time to time.

### 2. Maintenance and support responsibilities.

#### 2.1. Devices with shared maintenance and support responsibilities

2.1.1. Hardware, domain, VM(s) and networking are SFO responsibility.

2.1.2. Operating system and application(s) software are the Contractor's responsibility.

| IP Address    | Host Name       | Function             | VLAN    | Physical Location | HW Type |
|---------------|-----------------|----------------------|---------|-------------------|---------|
| 172.26.11.185 | PLC-109-A       | MCC355               |         | MCC355            |         |
| 172.26.11.186 | PLC-109-B       | MCC355               |         | MCC355            |         |
| 172.26.11.213 | PLC-114-A       | MCC258               |         |                   |         |
| 172.26.11.214 | PLC-114-B       | MCC258               |         |                   |         |
| 172.22.11.121 | Power Monitor   | Power Monitor        |         | MCC157            |         |
| 172.22.11.171 | Power Monitor   | Power Monitor        |         | MCC359            |         |
| 172.22.11.172 | Power Monitor   | Power Monitor        |         | MCC459            |         |
| 172.26.11.217 | Power Monitor   | Power Monitor        |         | MCC158            |         |
| 172.26.13.13  | SFO-BG-CSC      | CrisBag CSC VM       | VLAN 43 | Core Rooms        | N/A     |
| 172.26.13.14  | SFO-BG-SDG      | Sort Data Gateway VM | VLAN 43 | Core Rooms        | N/A     |
| 172.26.13.15  | SFO-BG-CCSC     | Conveyor CSC VM      | VLAN 43 | Core Rooms        | N/A     |
| 172.26.13.16  | SFO-BG-CMMS     | CMMS Server VM       | VLAN 43 | Core Rooms        | N/A     |
| 172.26.13.37  | SFO-BG-OPC01    | OPC Server VM        | VLAN 43 | Core Rooms        | N/A     |
| 172.26.14.10  | SFO-T1-NAS02    | CrisBag NAS          | VLAN 44 | T220P             | NAS     |
| 172.26.14.20  | SFO-T1-UTIL01   | Utility Server       | VLAN 44 | T220P             | Server  |
| 172.26.15.34  | SFO-T1-WSBG3D   | BG3D Workstation     | VLAN 45 | T1 Control Room   | HP Z240 |
| 172.26.15.35  | SFO-T1-WSCMMS01 | CMMS Workstation     | VLAN 45 | T1 Control Room   | HP Z240 |
| 172.26.15.36  | SFO-T1-WSCMMS02 | CMMS Workstation     | VLAN 45 | T1 Control Room   | HP Z240 |
| 172.26.15.37  | SFO-T1-WSCMMS03 | CMMS Workstation     | VLAN 45 | T1 Control Room   | HP Z240 |
| 172.26.15.38  | SFO-T1-WSCMMS04 | CMMS Workstation     | VLAN 45 | T1 Control Room   | HP Z240 |
|               |                 |                      |         |                   |         |
|               |                 |                      |         |                   |         |

**2.2. Devices solely maintained and supported by the Contractor (hardware, operating systems, software and networking).**

| IP Address    | Host Name     | Function | VLAN    | Physical Location | HW Type                |
|---------------|---------------|----------|---------|-------------------|------------------------|
| 172.26.11.208 | Power Monitor | MCC151   | VLAN 40 |                   | Power Monitor -Janitza |
| 172.26.11.218 | Power Monitor | MCC210   | VLAN 40 |                   | Power Monitor -Janitza |
| 172.26.11.219 | Power Monitor | MCC199   | VLAN 40 |                   | Power Monitor -Janitza |
| 172.26.11.220 | Power Monitor | MCC299   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.223 | Power Monitor | MCC101   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.224 | Power Monitor | MCC102   | VLAN 40 |                   | Power Monitor -Janitza |
| 172.26.11.225 | Power Monitor | MCC103   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.226 | Power Monitor | MCC104   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.227 | Power Monitor | MCC105   | VLAN 40 |                   | Power Monitor -Janitza |
| 172.26.11.228 | Power Monitor | MCC106   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.229 | Power Monitor | MCC107   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.230 | Power Monitor | MCC108   | VLAN 40 |                   | Power Monitor -Janitza |
| 172.26.11.231 | Power Monitor | MCC109   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.232 | Power Monitor | MCC110   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.233 | Power Monitor | MCC111   | VLAN 40 |                   | Power Monitor -Janitza |
| 172.26.11.234 | Power Monitor | MCC112   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.235 | Power Monitor | MCC113   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.236 | Power Monitor | MCC201   | VLAN 40 |                   | Power Monitor -Janitza |
| 172.26.11.237 | Power Monitor | MCC202   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.238 | Power Monitor | MCC203   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.239 | Power Monitor | MCC204   | VLAN 40 |                   | Power Monitor -Janitza |
| 172.26.11.240 | Power Monitor | MCC205   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.241 | Power Monitor | MCC206   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.242 | Power Monitor | MCC207   | VLAN 40 |                   | Power Monitor -Janitza |
| 172.26.11.243 | Power Monitor | MCC208   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.244 | Power Monitor | MCC209   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.245 | Power Monitor | MCC211   | VLAN 40 |                   | Power Monitor -Janitza |
| 172.26.11.246 | Power Monitor | MCC212   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.247 | Power Monitor | MCC213   | VLAN 40 |                   | Power Monitor-Janitza  |
| 172.26.11.248 | Power Monitor | MCC301   | VLAN 40 |                   | Power Monitor -Janitza |
| 172.26.12.45  | PLC-A         | MCC104   | VLAN 42 |                   | PLC - Siemens S7       |
| 172.26.12.46  | PLC-B         | MCC104   | VLAN 42 |                   | PLC - Siemens S7       |
| 172.26.12.75  | PLC-A         | MCC106   | VLAN 42 |                   | PLC - Siemens S7       |
| 172.26.12.76  | PLC-B         | MCC106   | VLAN 42 |                   | PLC - Siemens S7       |
| 172.26.12.80  | PLC-A         | MCC105   | VLAN 42 |                   | PLC - Siemens S7       |
| 172.26.12.81  | PLC-B         | MCC105   | VLAN 42 |                   | PLC - Siemens S7       |
| 172.26.12.83  | PLC-112-A     | MCC205   | VLAN 42 |                   | PLC - Siemens S7       |

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| 172.26.12.84  | PLC-112-B    | MCC205        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.86  | Safety PLC-A | MCC205.ESC003 | VLAN 42 |  | Safety PLC - Siemens |
| 172.26.12.87  | Safety PLC-B | MCC205.ESC003 | VLAN 42 |  | Safety PLC - Siemens |
| 172.26.12.88  | PLC-A        | MCC206        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.89  | PLC-B        | MCC206        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.94  | PLC-A        | MCC210        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.95  | PLC-B        | MCC210        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.100 | PLC-A        | MCC107        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.101 | PLC-B        | MCC107        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.105 | PLC-A        | MCC301        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.106 | PLC-B        | MCC301        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.112 | PLC-A        | MCC110        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.113 | PLC-B        | MCC110        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.116 | Safety PLC-A | MCC103.ESC002 | VLAN 42 |  | Safety PLC - Siemens |
| 172.26.12.117 | Safety PLC-B | MCC103.ESC002 | VLAN 42 |  | Safety PLC - Siemens |
| 172.26.12.122 | PLC-A        | MCC203        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.123 | PLC-B        | MCC203        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.127 | PLC-A        | MCC103        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.128 | PLC-B        | MCC103        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.132 | PLC-A        | MCC199        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.133 | PLC-B        | MCC199        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.139 | PLC-A        | MCC201        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.140 | PLC-B        | MCC201        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.144 | PLC-A        | MCC101        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.145 | PLC-B        | MCC101        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.163 | Safety PLC-A | MCC202.ESC001 | VLAN 42 |  | Safety PLC - Siemens |
| 172.26.12.164 | Safety PLC-B | MCC202.ESC001 | VLAN 42 |  | Safety PLC - Siemens |
| 172.26.12.165 | PLC-A        | MCC102        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.166 | PLC-B        | MCC102        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.168 | PLC-A        | MCC202        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.169 | PLC-B        | MCC202        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.173 | PLC-A        | MCC211        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.174 | PLC-B        | MCC211        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.176 | PLC-A        | MCC111        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.177 | PLC-B        | MCC111        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.179 | Safety PLC-A | MCC113.ESC004 | VLAN 42 |  | Safety PLC - Siemens |
| 172.26.12.180 | Safety PLC-B | MCC113.ESC004 | VLAN 42 |  | Safety PLC - Siemens |
| 172.26.12.182 | PLC-A        | MCC113        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.183 | PLC-B        | MCC113        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.185 | PLC-A        | MCC213        | VLAN 42 |  | PLC - Siemens S7     |
| 172.26.12.186 | PLC-B        | MCC213        | VLAN 42 |  | PLC - Siemens S7     |

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| 172.26.12.189 | PLC-A             | MCC208              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.190 | PLC-B             | MCC208              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.192 | PLC-A             | MCC108              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.193 | PLC-B             | MCC108              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.195 | PLC-A             | MCC209              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.196 | PLC-B             | MCC209              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.198 | Safety PLC-A      | MCC199.ESC005       | VLAN 42 |               | Safety PLC - Siemens |
| 172.26.12.199 | Safety PLC-B      | MCC199.ESC005       | VLAN 42 |               | Safety PLC - Siemens |
| 172.26.12.202 | PLC-A             | MCC109              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.203 | PLC-B             | MCC109              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.205 | PLC-A             | MCC199              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.206 | PLC-B             | MCC199              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.208 | PLC-A             | MCC299              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.209 | PLC-B             | MCC299              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.218 | PLC-A             | MCC112              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.219 | PLC-B             | MCC112              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.221 | PLC-A             | MCC212              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.222 | PLC-B             | MCC212              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.234 | PLC-A             | MCC207              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.235 | PLC-B             | MCC207              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.240 | PLC-A             | MCC204              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.12.241 | PLC-B             | MCC204              | VLAN 42 |               | PLC - Siemens S7     |
| 172.26.13.24  | Fallback CSC      | Fallback CSC Server | VLAN 43 | CSC001.CFB001 | PC                   |
| 172.26.16.50  | SFO-T1-SCA101-A   | TLI101 SCA          | VLAN 46 |               | SICK ATR             |
| 172.26.16.51  | SFO-T1-SCA101-B   | TLI101 SCA          | VLAN 46 |               | SICK ATR             |
| 172.26.16.52  | SFO-T1-SCA101-RDT | TLI101 SCA          | VLAN 46 |               | SICK ATR             |
| 172.26.16.54  | SFO-T1-SCA103-A   | TLI103 SCA          | VLAN 46 |               | SICK ATR             |
| 172.26.16.55  | SFO-T1-SCA103-B   | TLI103 SCA          | VLAN 46 |               | SICK ATR             |
| 172.26.16.56  | SFO-T1-SCA103-RDT | TLI103 SCA          | VLAN 46 |               | SICK ATR             |
| 172.26.16.58  | SFO-T1-SCA105-A   | TLI105 SCA          | VLAN 46 |               | SICK ATR             |
| 172.26.16.59  | SFO-T1-SCA105-B   | TLI105 SCA          | VLAN 46 |               | SICK ATR             |
| 172.26.16.60  | SFO-T1-SCA105-RDT | TLI105 SCA          | VLAN 46 |               | SICK ATR             |
| 172.26.16.63  | SFO-T1-SCA106-A   | TLI106 SCA          | VLAN 46 |               | SICK ATR             |



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| 172.26.16.64 | SFO-T1-SCA106-B   | TLI106 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.65 | SFO-T1-SCA106-RDT | TLI106 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.67 | SFO-T1-SCA108-A   | TLI108 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.68 | SFO-T1-SCA108-B   | TLI108 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.69 | SFO-T1-SCA108-RDT | TLI108 SCA |         |  | SICK ATR |
| 172.26.16.71 | SFO-T1-SCA110-A   | IOL110 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.72 | SFO-T1-SCA110-B   | IOL110 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.73 | SFO-T1-SCA110-RDT | IOL110 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.74 | SFO-T1-SCA111-A   | IOL111 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.75 | SFO-T1-SCA111-B   | IOL111 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.76 | SFO-T1-SCA111-RDT | IOL111 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.77 | SFO-T1-SCA202-A   | TLI202 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.78 | SFO-T1-SCA202-B   | TLI202 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.79 | SFO-T1-SCA202-RDT | TLI202 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.81 | SFO-T1-SCA204-A   | TLI204 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.82 | SFO-T1-SCA204-B   | TLI204 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.83 | SFO-T1-SCA204-RDT | TLI204 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.85 | SFO-T1-SCA205-A   | TLI205 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.86 | SFO-T1-SCA205-B   | TLI205 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.87 | SFO-T1-SCA205-RDT | TLI205 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.89 | SFO-T1-SCA206-A   | TLI206 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.90 | SFO-T1-SCA206-B   | TLI206 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.91 | SFO-T1-SCA206-RDT | TLI206 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.93 | SFO-T1-SCA207-A   | TLI207 SCA | VLAN 46 |  | SICK ATR |

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| 172.26.16.94  | SFO-T1-SCA207-B    | TLI207 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.95  | SFO-T1-SCA207-RDT  | TLI207 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.96  | SFO-T1-SCA209-A    | TLI209 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.97  | SFO-T1-SCA209-B    | TLI209 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.98  | SFO-T1-SCA209-RDT  | TLI209 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.100 | SFO-T1-SCA212-A    | TLO212 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.101 | SFO-T1-SCA212-B    | TLO212 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.102 | SFO-T1-SCA212-RDT  | TLO212SCA  | VLAN 46 |  | SICK ATR |
| 172.26.16.150 | SFO-T1-SCAC101-A   | TLO101 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.151 | SFO-T1-SCAC101-B   | TLO101 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.152 | SFO-T1-SCAC101-RDT | TLO101 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.154 | SFO-T1-SCAC102-A   | TLO102 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.155 | SFO-T1-SCAC102-B   | TLO102 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.156 | SFO-T1-SCAC102-RDT | TLO102 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.158 | SFO-T1-SCAC103-A   | TLO103 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.159 | SFO-T1-SCAC103-B   | TLO103 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.160 | SFO-T1-SCAC103-RDT | TLO103 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.162 | SFO-T1-SCAC104-A   | TLO104 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.163 | SFO-T1-SCAC104-B   | TLO104 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.164 | SFO-T1-SCAC104-RDT | TLO104 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.166 | SFO-T1-SCAC113-A   | TLI113 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.167 | SFO-T1-SCAC113-B   | TLI113 SCA | VLAN 46 |  | SICK ATR |
| 172.26.16.168 | SFO-T1-SCAC113-RDT | TLI113 SCA | VLAN 46 |  | SICK ATR |

### 2.3. Uninterruptible Power Supplies (UPS).

- 2.3.1. UPS servicing controls, network and related hardware under the contractor's responsibility in accordance with this Exhibit shall be the responsibility of the contractor to maintain.
- 2.3.2. UPS serving controls, network and related hardware under the responsibility of SFO shall be the responsibility of SFO.
- 2.3.3. UPS serving BHS power systems and equipment (including those in and/or connected to Control Cabinets) shall be the responsibility of the Contractor.

#### **2.4. Tablets and other Mobile Devices**

- 2.4.1. The Contractor shall be responsible for all support and maintenance (hardware and software) of all mobile devices used in operating, maintaining or managing the BHS. This requirement includes tablets or other mobile devices provided or used by SFO for Terminal 1 BHS purposes. Mobile devices used to scan baggage tags for the baggage drop functionality in the check in areas are not included in this scope.

### **3. Hardware, Software and Related Equipment Maintenance and Support Requirements**

- 3.1. Required maintenance and support tasks and frequencies by type of equipment are listed in the following table.
- 3.2. Should a specific type of equipment not be included in the table, or if OEM requirements differ from the table, OEM requirements shall be used.
- 3.3. All maintenance and support activities are to be documented and reported to SFO in a manner acceptable to SFO. Use of the MMS is preferred.

| <b>Equipment</b>                                           | <b>Task</b>                                                                                                                   | <b>Frequency</b> |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|------------------|
| Cabinets – Except Ethernet Switch Enclosure (ESE) cabinets | Clean with HEPA filtered, ESD safe vacuum cleaner.<br>Clean with anti-static cleaning solution and lint-free cloth and swabs. | Quarterly        |
| E-stop Nodes and Relays                                    | Check panel for faults                                                                                                        | Weekly           |
|                                                            | Clean with HEPA filtered, ESD safe vacuum cleaner.<br>Clean with anti-static cleaning solution and lint-free cloth and swabs. | Quarterly        |

|                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        |
|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Keyboards, Mouse                                                                                                                 | Clean openings with compressed air held upright. Remove any dislodged dust or debris using HEPA filtered ESD safe portable vacuum cleaner and anti-static cleaning solution and lint free cloth and swabs. Clean outside using anti-static cleaning solution and lint free cloth and swabs.                                                                                                                                                                                                        | Monthly                |
| Monitors and Displays                                                                                                            | Clean display with OEM recommended solution and lint free cloth.                                                                                                                                                                                                                                                                                                                                                                                                                                   | Monthly                |
| ICS PLC's and ICS PLC Networks (Process Field Bus (PROFIBUS), Actuator Sensor Interface (ASI), and Process Field Net (PROFINET)) | Hardware - Check the PLC and smart module status lights. Programmer to go online with the PLC to investigate faults. Check the PLC battery status light - replace low batteries or batteries with expired replacement dates. Check for unusual sounds in MCP panels and check for loose connections. Verify MCP panel interior temperature is lower than 50 degree Celsius. Check for blown fuse indication.                                                                                       | Weekly                 |
|                                                                                                                                  | Software - Go online with the PLC and review fault tables. Backup the PLC code as required.                                                                                                                                                                                                                                                                                                                                                                                                        | Weekly                 |
| Power Supplies                                                                                                                   | Dust and wipe exterior with anti-static cleaning solution and lint free cloth and swabs. Check all connections.                                                                                                                                                                                                                                                                                                                                                                                    | Quarterly              |
| Uninterruptible Power Supplies (UPS)                                                                                             | Perform OEM recommended preventive maintenance and servicing including periodic replacement of batteries as required.                                                                                                                                                                                                                                                                                                                                                                              | Per OEM Specifications |
| Workstations                                                                                                                     | Hardware - Check power protection devices. Check and clean interior, motherboard, power supply fan and expansion cards with compressed air held upright, HEPA filtered ESD safe portable vacuum cleaner and lint free cloth and swabs.. Check processor temperature, inspect heat sink and fan. Check hard disk for temperature and vibration. Check internal connections and cables. Back up CMOS information, if applicable. Clean floppy disk and CD/DVD drives. Clean case. Reboot the system. | Quarterly              |
|                                                                                                                                  | Software: Check event viewer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Weekly                 |
|                                                                                                                                  | Software - Scan hard disk file systems for errors. Scan for viruses and spyware. Back up data. Defragment hard disks. Update antivirus and antispyware software. Empty the Recycle Bin. Delete .tmp files. Delete files that begin with a tilde. Delete old .zip files. Delete .chk files and switch the swap file. Update OS and applications with the latest service packs, updates and drivers. Update emergency boot media.                                                                    | Monthly                |

## Appendix B Calculation of Charges

### 1) Invoicing – General

- a) For the complete and satisfactory performance of the services detailed in Appendix A of this Agreement, the City will pay fees and expenses upon proper invoicing and in accordance with the rates set forth in this Appendix B.
- b) The City will not pay any invoices for services provided by law firms or attorneys, including any subcontractors of Contractor, unless the provider receives advance written approval from the City Attorney.
- c) The Contractor shall submit all certified payrolls and timesheets for the invoice period with the monthly invoice in addition to other required submittals of those documents.
  - i) The Contractor shall submit a monthly performance report for the invoice period (see Appendix A of this Agreement) with the monthly invoice.
- d) Documentation of the Airport's approval for all invoiced amounts requiring advance Airport approval must be included with the Contractor's monthly invoice for payment to be made.
- e) System Availability Standard Adjustments
  - i) For any invoice period in which Contractor does not achieve the Availability Standard for the BHS and BHS sub-systems provided in Appendix A, 3.3.1 "Availability Standard" of this Agreement, the Contractor's total monthly payment will be adjusted.
  - ii) The System Availability Standard Adjustment shall be as follows:

| SYSTEM AVAILABILITY (in %) | PAYMENT FACTOR |
|----------------------------|----------------|
| 99.0 – 100.00              | 1.00           |
| 98.50 – 98.99              | 0.99           |
| 98.0 – 98.49               | 0.98           |
| 97.50 – 97.99              | 0.97           |
| 97.0 – 97.49               | 0.96           |
| Below 97.0                 | 0.95           |

Availability below 97% will, at the Airport's discretion, constitute a failure to perform under 8.2.1(b) of this Agreement.

- f) For each instance of non-compliance with the Maintenance and Operating Standards as specified in Appendix A of this Agreement, the appropriate dollar amount shall be deducted from the Contractor's monthly invoice or the Airport's invoice payment for the month in which the non-compliance occurred.
- g) Unless otherwise approved by the Airport's Project Manager, the Contractor shall, within ten (10) days after receipt of payment by the Airport pay to all of its immediate subcontractors, if any, the amounts to which they are entitled, after deducting any prior payments and any amounts due and payable to the Contractor by those subcontractors.
- h) Partial release from all suppliers and subcontractors shall be furnished with all but the first invoice.
- i) The Contractor shall provide the invoice, and all required supporting forms and information in a format acceptable to the Airport on a monthly basis no later than the 15<sup>th</sup> of the following month.
- j) United States Dollars are to be used for all expense items. Should currency conversion be required the rate of exchange used shall be as found on the website OANDA.com ([www.oanda.com](http://www.oanda.com)) on the date of invoice. A screen capture of the conversion web page shall be attached to the invoice.
- k) If hardcopy documents are requested, all documents shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.
- l) All payment requirements shall flow down to sub-contractors.

### 2) Labor

- a) The Contractor shall provide staffing in accordance with the Staffing Level and Allocation Plan provided in Attachment 1 of this Appendix B. This is the basic labor included in Contractor's monthly invoice.
- b) Service Level Adjustments: As provided in 4.1.1 of this Agreement, the City may direct Contractor to make Service Level Adjustments by written order. The written order may be used to add, delete, change, increase, or decrease the hours, staffing levels, or equipment being serviced by the Contractor. The Contractor shall comply with the written order and perform its operation and maintenance services in accordance with all provisions of this Agreement. All written orders shall include a description of the adjustment of the services, schedule, duration, impact on performance and cost impact.

- c) State of California and City and County of San Francisco Prevailing Wage requirements are applicable to certain labor performed by the Contractor's employees. See Section 3.6 of this Agreement.
- d) The hourly labor rates for employees performing prevailing wage covered work under this Agreement shall be reviewed whenever the applicable prevailing wage rates are adjusted by the California Department of Industrial Relations, the City and County of San Francisco Office of Labor Standards and Enforcement, or other governmental authority. The hourly labor rates may be adjusted, with agreement of the parties, subsequent to these reviews.
- e) The hourly labor rates for employees not performing prevailing wage covered work under this Agreement may be reviewed whenever the hourly labor rates for employees performing prevailing wage covered work are adjusted. The hourly labor rates for employees not performing prevailing wage covered work may be adjusted, with agreement of the parties, subsequent to these reviews.
- f) In the event that overtime is requested or required by the Airport, overtime charges by classification shall be clearly documented on the weekly time sheets and certified payrolls and identified separately on the monthly invoice. The invoice shall include copies of the Airport's request and approval of the overtime, the reason for the overtime, the date(s) and time(s) the work was accomplished and the calculations of the overtime rates and charges. Overtime rates shall be based on the applicable prevailing wage determination for prevailing wage covered employees or applicable California state labor law for non-prevailing wage covered employees.
- g) As the services are required to be provided 24/7/365, hours expended on Saturdays and Sundays are not eligible for overtime pay. This does not apply to hours in excess of 40 for the individual's work week or 8 in the employee's working day or for holiday pay.
- h) The monthly charge for labor, exclusive of any overtime requested by the Airport is based upon the Staffing Level and Allocation Plan and the Labor Rates. Should the Contractor not provide the staffing levels defined in the Staffing Level and Allocation Plan, the monthly invoice shall be reduced by the value of any shortfall for the month.
  - i) For employees in the Supervisor, Control Room Operator, Sr. Technician, Jr. Technician and System Support classifications:

For each classification and shift – Subtract total hours scheduled according to the Staffing Level and Allocation Plan from the total hours worked. If the difference is negative multiply the difference by the hourly rate for the classification and shift and deduct that amount from the monthly invoice.

- ii) For employees in the Site Manager, Controls Systems Specialist, Parts/CMMS, and Administrative Assistant classifications:

For each classification – Subtract the total hours scheduled from the total hours paid. If the difference is negative multiply the difference by the hourly rate for the classification and deduct that amount from the monthly invoice.

- i) Documentation of hours scheduled and worked and calculation of required adjustments shall be provided with the monthly invoice using the Monthly Labor Report spreadsheet provided by the Airport's project manager. The Monthly Labor Report also calculates the unadjusted monthly total value of wages and benefits included on the invoice
- j) The Contractor's monthly invoice may include a charge of up to two percent (2%) of the total monthly charge for employee wages and benefits, as adjusted (see Section 2.h of this Appendix B), for Labor Overhead in consideration for all costs of providing labor other than employee wages and benefits.

### 3) Service Fee

- a) The Contractor's monthly invoice may include a service fee in an amount no greater than 10 percent of the total cost of labor for each month.

### 4) Site Overhead

- a) The Contractors monthly invoice shall include a fixed monthly cost for site overhead.
  - i) Site overhead shall include all of the contractor's costs for tools, hardware, consumables, employee welfare (e.g. drinking water), waste disposal, office supplies, phones (mobile and fixed), internet service, return parts shipping, vehicle operations (maintenance, fuel, licenses and permits) PPE, janitorial service and supplies, employee airport badging fees and employee uniforms and cleaning,
  - ii) The monthly cost for site overhead may be reviewed annually in the month of April and may be adjusted with agreement of the parties. Any adjustments agreed upon shall be effective July 1 of that year.

**5) Parts and Materials and Software Licenses**

- a) The Contractor's monthly invoice shall include detailed costs for all parts, materials, software licenses and support fees.
  - i) For items purchased from sources other than Contractor or its affiliated companies, the original invoices from the OEM/supplier shall be included with the invoice.
  - ii) For purchases exceeding a net cost, including all taxes, shipping, and other fees of \$200 per unit (each) and/or \$200 per OEM/supplier invoice price, quotes for the same or equivalent material or service from a minimum of three (3) suppliers must be provided to the Airport's Project Manager for approval prior to purchase. Unless extenuating circumstances apply and are documented by the Contractor, the lowest priced quote will be approved. All quotes shall be included with the invoice along with documentation of the approval to purchase. Sole source software licenses or product support agreements are exempt from this requirement upon representation by the Contractor that alternative pricing is not available. Exceptions to the preceding must be approved in writing by the Airport Project Manager
- b) All costs for materials invoiced to the City shall be the best (lowest) prices available to the Contractor.
- c) The Contractor's monthly invoice may include a service fee of the following percentage applied to the dollar value of invoiced costs for shipping, handling and taxes as applicable for the purchased material or services as listed below.
 

|                                                                |           |
|----------------------------------------------------------------|-----------|
| (a) Parts and Materials                                        | 10%       |
| (b) Software Licenses and support agreements (not sole source) | 10%       |
| (c) Software Licenses and support agreements (sole source)     | 0% (None) |
- d) The service fee is in consideration of Contractor's cost to procure the requested materials or services and shall not be included in the cost of the materials or services. The service fees are to be included on the invoice.

**6) Beumer Help Desk Fee**

- a) The Contractors monthly invoice shall include a fixed monthly cost for unlimited access to services provided by the Beumer Help Desk.
  - i) Services shall be available 24/7/365.

**7) As Needed Services**

- a) As Needed Services may be requested through the issuance of a task order in accordance with Section 4.1 of this Agreement.
- b) If the Task Order includes the use of approved subcontractors, the Contractor's monthly invoice shall include detailed costs for subcontractor services including the original invoices from the subcontractors performing services.
- c) When feasible the Contractor shall obtain a minimum of two (2) price quotes for the service(s) to be contracted for. Exceptions must be approved in writing by the Airport Project Manager. Price quotes and approval(s) of exceptions must be included with the monthly invoice.
- d) The Contractor's monthly invoice shall include detailed costs for any as-needed services provided and may include a service fee of up of the following percentage applied to the dollar value of invoiced costs for contracted services as listed below. and agreed to by the Airport and The Contractor. As Needed Services provided by the Contractor are not subject to the service fee.
- e) The service fee is in considerations of Contractor's cost to procure the requested services and shall not be included in the cost of the services. The service fee(s) are to be included on the invoice.
- f) Contracted services service fee :10%
- g) The total dollar amount for as-needed services will not exceed \$750,000 for the term of this Agreement.

**8) SFO Requested Overtime**

- a) The contractor's invoice shall include all costs for SFO Requested Overtime (see Section 2.f of this Appendix B).
  - i) The Contractor may apply a two percent (2%) overhead charge to the total cost of SFO Requested Overtime. This charge is to be calculated and applied separately from the overhead applied to the total monthly charge for employee wages and benefits (see Section 2 i).
  - ii) The Contractor's monthly invoice may include a service fee in an amount no greater than ten percent (10%) of the total cost of SFO Requested Overtime. This service fee is to be calculated and applied

separately from the service fee applied to the total monthly charge for employee wages and benefits (see Section 3).

## 9) Travel Expenses

- a) The Contractor's monthly invoice may include costs for SFO approved employee travel. Travel will be approved only if deemed to be directly supporting the provisioning of the services. Travel in support of the Contractor's business activities, including employee meetings or other events will not be approved.
- b) Contractor's representatives who are based outside of the nine-county San Francisco Bay Area must have prior written approval from the Airport Project Manager in order to be reimbursed for travel expenses. No administrative charge, profit, or other markup may be added to travel expenses.
- c) Contractor's executive's travel expenses to visit the local job office are not reimbursable.
- d) Personnel who are shared with other clients or other Airport projects will only be reimbursed on a pro-rata basis, when approved in advance by the Airport.
- e) Travel expenses and cost for vehicle rentals, contractor meals, and per diem are not reimbursable expenses unless Contractor has obtained the prior written approval of the Airport's Project Manager before the expenses are incurred.
- f) Direct and reasonable travel expenses shall be reimbursed at the actual cost when supported by appropriate receipts and submitted with the monthly invoice.
- g) If per diem is approved by the Airport, Contractor travel expense must meet the federal per diem General Services Administration Continental United States rates ("GSA CONUS Rates") for San Mateo County. Current federal per diem rates can be confirmed on the Internet at [https://www.gsa.gov/travel/plan-book/per-diem-rates?\\_gl=1\\*hzsgog\\*\\_ga\\*NTcyNDU4NDc0LjE3NDQwNTQxNjA.\\*\\_ga\\_HBYXWFP794\\*MTc0NDAlNDE2MC4xLjEuMTc0NDAlNDQwMS4wLjAuMA..](https://www.gsa.gov/travel/plan-book/per-diem-rates?_gl=1*hzsgog*_ga*NTcyNDU4NDc0LjE3NDQwNTQxNjA.*_ga_HBYXWFP794*MTc0NDAlNDE2MC4xLjEuMTc0NDAlNDQwMS4wLjAuMA..)
- h) The mileage reimbursement for vehicles will be the then current mileage rate established by the Internal Revenue Service. No mileage reimbursement shall be provided for automobile trips within the San Francisco Bay Area, less than fifty (50) miles from SFO and no reimbursement shall be provided when a rental vehicle is used.
- i) The Contractor shall make all commercially reasonable efforts to minimize expenses.

## 10) Allowances

- a) The Airport may establish not-to-exceed, Airport controlled Contract allowances (which are included in the not-to-exceed amount set forth in the Agreement).
- b) Use of allowances will be at the sole discretion of the Airport's Project Manager. However, there is no guaranteed minimum level of compensation for these services.

## Attachment 1 - Staffing Level and Allocation Plan

The Staffing Level and Allocation plan following is the basis for adequate coverage of all shifts with appropriate skills and responsibilities. The shift times and staffing levels may be adjusted by the Contractor to meet operational requirements and resource availability. The total hours per classification invoiced each month are subject to the requirements of Section 2 of this Appendix

| Classification<br>Position # | Sunday    | Monday    | Tuesday   | Wednesday | Thursday  | Friday    | Saturday  | Total<br>Hours |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------|
|                              | Start/End | Start/End | Start/End | Start/End | Start/End | Start/End | Start/End |                |
| Site Manager                 | Off       | 0800-1630 | 0800-1630 | 0800-1630 | 0800-1630 | 0800-1630 | Off       | 40             |
| Admin<br>Assistant           | Off       | 0800-1630 | 0800-1630 | 0800-1630 | 0800-1630 | 0800-1630 | Off       | 40             |
| CMMS/Spare                   | Off       | 0800-1630 | 0800-1630 | 0800-1630 | 0800-1630 | 0800-1630 | Off       | 40             |
| Cntl's<br>Specialist         | Off       | 0800-1630 | 0800-1630 | 0800-1630 | 0800-1630 | 0800-1630 | Off       | 40             |
|                              |           |           |           |           |           |           |           |                |
| Shift 1 Supervisor           |           |           |           |           |           |           |           |                |



|                                                               |           |           |           |           |            |           |           |    |
|---------------------------------------------------------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|----|
| <b>Supervisor #1</b>                                          | 0800-1630 | 0800-1630 | 0800-1630 | 0800-1630 | 08003-1630 | Off       | Off       | 40 |
| <b>Shift 1 Supervisor Total Weekly Hours</b>                  |           |           |           |           |            |           |           | 40 |
| <b>Shift 2 Supervisor</b>                                     |           |           |           |           |            |           |           |    |
| <b>Supervisor #2</b>                                          | Off       | 1400-2230 | 1400-2230 | 1400-2230 | 1400-2230  | 1400-2230 | off       |    |
| <b>Shift 2 Supervisor Total Weekly Hours</b>                  |           |           |           |           |            |           |           | 40 |
| <b>Shift 3 Supervisor</b>                                     |           |           |           |           |            |           |           |    |
| <b>Supervisor #3</b>                                          | Off       | Off       | 2200-0630 | 2200-0630 | 2200-0630  | 2200-0630 | 2200-0630 |    |
| <b>Shift 3 Supervisor Total Weekly Hours</b>                  |           |           |           |           |            |           |           | 40 |
| <b>Shift 1 Control Room Operator (CRO)</b>                    |           |           |           |           |            |           |           |    |
| <b>CRO #1</b>                                                 | 0600-1430 | 0600-1430 | 0600-1430 | 0600-1430 | 0600-1430  | Off       | Off       |    |
| <b>CRO #2</b>                                                 | Off       | Off       | 0600-1430 | 0600-1430 | 0600-1430  | 0600-1430 | 0600-1430 |    |
| <b>Shift 1 Control Room Operator (CRO) Total Weekly Hours</b> |           |           |           |           |            |           |           | 80 |
| <b>Shift 2 Control Room Operator (CRO)</b>                    |           |           |           |           |            |           |           |    |
| <b>CRO #3</b>                                                 | 1400-2230 | 1400-2230 | off       | off       | 1400-2230  | 1400-2230 | 1400-2230 |    |
| <b>Shift 2 Control Room Operator (CRO) Total Weekly Hours</b> |           |           |           |           |            |           |           | 40 |
| <b>Shift 3 Control Room Operator (CRO)</b>                    |           |           |           |           |            |           |           |    |
| <b>CRO #4</b>                                                 | 2200-0630 | 2200-0630 | 2200-0630 | 2200-0630 | 2200-0630  | Off       | Off       |    |
| <b>Shift 3 Control Room Operator(CRO) Total Weekly Hours</b>  |           |           |           |           |            |           |           | 40 |

|                                                     |           |           |           |           |           |           |           |     |
|-----------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----|
| <b>Shift 1 Senior Technician</b>                    |           |           |           |           |           |           |           |     |
| <b>Sr. Tech' #1</b>                                 | 0600-1430 | 0600-1430 | 0600-1430 | 0600-1430 | 0600-1430 | Off       | Off       |     |
| <b>Sr. Tech' #2</b>                                 | Off       | Off       | 0600-1430 | 0600-1430 | 0600-1430 | 0600-1430 | 0600-1430 |     |
| <b>Sr. Tech' #3</b>                                 | 0600-1430 | 0600-1430 | Off       | Off       | 0600-1430 | 0600-1430 | 0600-1430 |     |
| <b>Shift 1 Senior Technician Total Weekly Hours</b> |           |           |           |           |           |           |           | 120 |
| <b>Shift 2 Senior Technician</b>                    |           |           |           |           |           |           |           |     |
| <b>Sr. Tech' #4</b>                                 | Off       | Off       | 1400-2230 | 1400-2230 | 1400-2230 | 1400-2230 | 1400-2230 |     |
| <b>Sr. Tech' #5</b>                                 | 1400-2230 | 1400-2230 | 1400-2230 | Off       | Off       | 1400-2230 | 1400-2230 |     |
| <b>Sr. Tech' #6</b>                                 | 1400-2230 | 1400-2230 | 1400-2230 | 1400-2230 | 1400-2230 | Off       | Off       |     |
| <b>Shift 2 Senior Technician Total Weekly Hours</b> |           |           |           |           |           |           |           | 120 |
| <b>Shift 3 Senior Technician</b>                    |           |           |           |           |           |           |           |     |
| <b>Sr. Tech' #7</b>                                 | 2200-0630 | 2200-0630 | 2200-0630 | 2200-0630 | 2200-0630 | Off       | Off       |     |
| <b>Sr. Tech' #8</b>                                 | 2200-0630 | 2200-0630 | 2200-0630 | 2200-0630 | Off       | Off       | 2200-0630 |     |
| <b>Sr. Tech' #9</b>                                 | 2200-0630 | 2200-0630 | Off       | Off       | 2200-0630 | 2200-0630 | 2200-0630 |     |
| <b>Shift 3 Senior Technician Total Weekly Hours</b> |           |           |           |           |           |           |           | 120 |

|                                                     |           |           |           |           |           |           |           |    |
|-----------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----|
| <b>Shift 1 Junior Technician</b>                    |           |           |           |           |           |           |           |    |
| <b>Jr. Tech' #1</b>                                 | 0600-1430 | 0600-1430 | 0600-1430 | 0600-1430 | 0600-1430 | Off       | Off       |    |
| <b>Jr. Tech' #2</b>                                 | Off       | Off       | 0600-1430 | 0600-1430 | 0600-1430 | 0600-1430 | 0600-1430 |    |
| <b>Shift 1 Junior Technician Total Weekly Hours</b> |           |           |           |           |           |           |           | 80 |
| <b>Shift 2 Junior Technician</b>                    |           |           |           |           |           |           |           |    |
| <b>Jr. Tech' #3</b>                                 | 1400-2230 | 1400-2230 | 1400-2230 | 1400-2230 | 1400-2230 | OFF       | OFF       |    |
| <b>Jr. Tech' #4</b>                                 | 1400-2230 | 1400-2230 | Off       | Off       | 1400-2230 | 1400-2230 | 1400-2230 |    |
| <b>Shift 2 Junior Technician Total Weekly Hours</b> |           |           |           |           |           |           |           | 80 |
| <b>Shift 3 Junior Technician</b>                    |           |           |           |           |           |           |           |    |
| <b>Jr. Tech' #5</b>                                 | 2200-0630 | 2200-0630 | 2200-0630 | OFF       | OFF       | 2200-0630 | 2200-0630 |    |
| <b>Jr. Tech' #6</b>                                 | Off       | Off       | 2200-0630 | 2200-0630 | 2200-0630 | 2200-0630 | 2200-0630 |    |
| <b>Shift 3 Junior Technician Total Weekly Hours</b> |           |           |           |           |           |           |           | 80 |

|                                                  |            |           |           |           |           |           |           |     |
|--------------------------------------------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----|
| <b>Shift 1 System Support</b>                    |            |           |           |           |           |           |           |     |
| <b>System Sup'#1</b>                             | 0600-1430  | Off       | Off       | 0600-1430 | 0600-1430 | 0600-1430 | 0600-1430 |     |
| <b>System Sup'#2</b>                             | 0600-1430  | 0600-1430 | 0600-1430 | Off       | Off       | 0600-1430 | 0600-1430 |     |
| <b>System Sup'#3</b>                             | off        | 0600-1430 | 0600-1430 | 0600-1430 | 0600-1430 | 0600-1430 | Off       |     |
| <b>Shift 1 System Support Total Weekly Hours</b> |            |           |           |           |           |           |           | 120 |
| <b>Shift 2 System Support</b>                    |            |           |           |           |           |           |           |     |
| <b>System Sup'#4</b>                             | 1400-2230  | 1400-2230 | 1400-2230 | 1400-2230 | Off       | Off       | 1400-2230 |     |
| <b>System Sup'#5</b>                             | 1400-2230  | Off       | Off       | 1400-2230 | 1400-2230 | 1400-2230 | 1400-2230 |     |
| <b>System Sup'#6</b>                             | Off        | Off       | 1400-2230 | 1400-2230 | 1400-2230 | 1400-2230 | 1400-2230 |     |
| <b>Shift 2 System Support Total Weekly Hours</b> |            |           |           |           |           |           |           | 120 |
| <b>Shift 3 System Support</b>                    |            |           |           |           |           |           |           |     |
| <b>System Sup'#7</b>                             | 2200-630   | 2200-0630 | Off       | Off       | 2200-0630 | 2200-630  | 2200-0630 |     |
| <b>System Sup'#8</b>                             | Off        | 2200-0630 | 2200-0630 | 2200-0630 | 2200-0630 | 2200-0630 | Off       |     |
| <b>System Sup'#9</b>                             | 2200- 0630 | 2200-0630 | 2200-0630 | 2200-0630 | Off       | Off       | 2200-0630 |     |
| <b>Shift 3 System Support Total Weekly Hours</b> |            |           |           |           |           |           |           | 120 |
|                                                  |            |           |           |           |           |           |           |     |

## Attachment 2 - Labor Rates

The prevailing wage rate for Millwrights shall apply to individuals when they are performing work involving installation, inspection, repair and maintenance equipment. The prevailing wage rate for Laborers shall apply to

individuals when they are performing all other tasks associated with BHS maintenance duties. For example, an individual may perform the duties of a Junior Technician for six hours in an eight-hour day, and the same individual may perform System Support duties for the remaining two hours of an eight-hour day. In that event, six hours would be paid at the prevailing wage for Millwrights, and two hours would be paid at the rate for Laborers.

Prevailing wages apply only to Senior and Junior Technicians and System Support personnel.

| Effective through June 2026 |              |                    |               |                    |
|-----------------------------|--------------|--------------------|---------------|--------------------|
| <u>Classification</u>       | <u>Shift</u> | <u>Hourly Wage</u> | <u>Burden</u> | <u>Hourly Rate</u> |
| Site Manager                | 1            | \$73.86            | \$51.70       | \$125.57           |
| Controls Tech               | 1            | \$70.34            | \$49.24       | \$119.58           |
| Parts/CMMS                  | 1            | \$40.55            | \$28.38       | \$68.93            |
| Administrator               | 1            | \$34.76            | \$24.33       | \$59.08            |
| Supervisor                  | 1            | \$70.34            | \$49.24       | \$119.58           |
|                             | 2            | \$73.09            | \$51.16       | \$124.25           |
|                             | 3            | \$76.25            | \$53.38       | \$129.63           |
| Control Room Op.            | 1            | \$38.80            | \$27.16       | \$65.97            |
|                             | 2            | \$40.32            | \$28.22       | \$68.54            |
|                             | 3            | \$42.06            | \$29.44       | \$71.51            |
| Sr. Technician              | 1            | \$96.52            | \$21.23       | \$117.75           |
|                             | 2            | \$100.47           | \$22.10       | \$122.57           |
|                             | 3            | \$103.74           | \$22.82       | \$126.56           |
| Jr. Technician              | 1            | \$80.64            | \$17.74       | \$98.38            |
|                             | 2            | 84.02              | \$18.48       | \$102.50           |
|                             | 3            | 85.33              | \$18.77       | \$104.10           |
| Labor                       | 1            | \$70.06            | \$15.41       | \$85.47            |
|                             | 2            | 73.06              | \$15.49       | \$88.55            |
|                             | 3            | 73.06              | \$15.49       | \$88.55            |

| Effective July 2026 through June 2027 |              |                    |               |                    |
|---------------------------------------|--------------|--------------------|---------------|--------------------|
| <u>Classification</u>                 | <u>Shift</u> | <u>Hourly Wage</u> | <u>Burden</u> | <u>Hourly Rate</u> |
|                                       |              |                    |               |                    |
| Site Manager                          | 1            | \$75.64            | \$52.94       | \$128.58           |
| Controls Tech                         | 1            | \$72.03            | \$50.42       | \$122.45           |
| Parts/CMMS                            | 1            | \$41.52            | \$29.06       | \$70.59            |
| Administrator                         | 1            | \$35.59            | \$24.91       | \$60.50            |
| Supervisor                            | 1            | \$72.03            | \$50.42       | \$122.45           |
|                                       | 2            | \$74.84            | \$52.39       | \$127.23           |
|                                       | 3            | \$78.08            | \$54.66       | \$132.74           |
| Control Room Op.                      | 1            | \$39.74            | \$27.81       | \$67.55            |
|                                       | 2            | \$41.28            | \$28.90       | \$70.18            |
|                                       | 3            | \$43.07            | \$30.15       | \$73.22            |
| Sr. Technician                        | 1            | \$101.17           | \$22.26       | \$123.43           |
|                                       | 2            | \$105.12           | \$23.13       | \$128.25           |
|                                       | 3            | \$108.39           | \$23.85       | \$132.24           |
| Jr. Technician                        | 1            | \$84.10            | \$18.50       | \$102.60           |
|                                       | 2            | \$87.47            | \$19.24       | \$106.71           |
|                                       | 3            | \$88.78            | \$19.53       | \$108.31           |
| Labor                                 | 1            | \$72.71            | \$16.00       | \$88.71            |
|                                       | 2            | \$75.71            | \$16.66       | \$92.37            |
|                                       | 3            | \$75.71            | \$16.66       | \$92.37            |

| Effective July 2027 through June 2028 |              |                    |               |                    |
|---------------------------------------|--------------|--------------------|---------------|--------------------|
| <u>Classification</u>                 | <u>Shift</u> | <u>Hourly Wage</u> | <u>Burden</u> | <u>Hourly Rate</u> |
|                                       |              |                    |               |                    |
| Site Manager                          | 1            | \$77.15            | \$54.00       | \$131.15           |
| Controls Tech                         | 1            | \$73.47            | \$51.43       | \$124.90           |
| Parts/CMMS                            | 1            | \$42.35            | \$29.65       | \$72.00            |
| Administrator                         | 1            | \$36.30            | \$25.41       | \$61.71            |
| Supervisor                            | 1            | \$73.47            | \$51.43       | \$124.90           |
|                                       | 2            | \$76.34            | \$53.44       | \$129.77           |
|                                       | 3            | \$79.64            | \$55.75       | \$135.39           |
| Control Room Op.                      | 1            | \$40.53            | \$28.37       | \$68.90            |
|                                       | 2            | \$42.11            | \$29.48       | \$71.59            |
|                                       | 3            | \$43.93            | \$30.75       | \$74.69            |
| Sr. Technician                        | 1            | \$106.05           | \$23.33       | \$129.38           |
|                                       | 2            | \$110.09           | \$24.22       | \$134.31           |
|                                       | 3            | \$113.52           | \$24.97       | \$138.49           |
| Jr. Technician                        | 1            | \$87.79            | \$19.31       | \$107.10           |
|                                       | 2            | \$91.05            | \$20.03       | \$111.08           |
|                                       | 3            | \$92.42            | \$20.33       | \$112.75           |
| Labor                                 | 1            | \$75.62            | \$16.64       | \$92.26            |
|                                       | 2            | \$78.36            | \$17.24       | \$95.60            |

|  |   |         |         |         |
|--|---|---------|---------|---------|
|  | 3 | \$78.36 | \$17.24 | \$95.60 |
|--|---|---------|---------|---------|

### Attachment 3 – Invoice Pricing Detail

The Monthly Invoice shall include all expenses, and deductions for staffing shortages and failures to achieve contractual performance standards.

| Effective through June 2026                                                                        |                |              |                           |
|----------------------------------------------------------------------------------------------------|----------------|--------------|---------------------------|
|                                                                                                    | Notes          | Annual Total | Monthly Total             |
| <b>LABOR</b>                                                                                       |                |              |                           |
| <b>Wages and Benefits</b>                                                                          |                | \$7,315,284  | From Monthly Labor Report |
| Adjustments for hours not worked                                                                   | Deduction \$   |              | Actual monthly            |
| <b>Wages and Benefits – Adjusted</b>                                                               |                |              | Actual monthly            |
| <b>SFO Requested Overtime</b>                                                                      |                |              | Actual monthly            |
| <b>Labor Overhead 2% of Wages and Benefits – Adjusted</b>                                          |                |              | Actual monthly            |
| <b>Total Monthly Cost for Labor</b>                                                                |                |              | Actual monthly            |
| <b>Service Fee – 10% of Total Monthly Cost for Labor</b>                                           |                |              | Actual monthly            |
| <b>NON - LABOR</b>                                                                                 |                |              |                           |
| <b>Site Overhead</b>                                                                               |                | \$103,200    | \$8,600                   |
| <b>Parts, Materials, Software Licenses (including Antivirus, and OS patching) and Support Fees</b> |                |              | Actual monthly            |
| <b>Beumer Help Desk Fee</b>                                                                        |                | \$94,545     | \$7,879                   |
| <b>As Needed Services</b>                                                                          | Per Task Order |              | Actual monthly            |
| <b>Travel Expenses</b>                                                                             |                |              | Actual monthly            |
| <b>Deductions for Performance Non-Compliance</b>                                                   | Deduction \$   |              | Actual monthly            |
| <b>Total Monthly Invoice Value</b>                                                                 |                |              | Actual monthly            |

| July 2026 through June 2027                                                                        |                |                           |
|----------------------------------------------------------------------------------------------------|----------------|---------------------------|
|                                                                                                    | Annual Total   | Monthly Total             |
| <b>LABOR</b>                                                                                       |                |                           |
| <b>Wages and Benefits</b>                                                                          | \$7,559,724    | From Monthly Labor Report |
| Adjustments for hours not worked                                                                   | Deduction \$   | Actual monthly            |
| <b>Wages and Benefits – Adjusted</b>                                                               |                | Actual monthly            |
| <b>SFO Requested Overtime</b>                                                                      |                | Actual monthly            |
| <b>Labor Overhead 2% of Wages and Benefits – Adjusted</b>                                          |                | Actual monthly            |
| <b>Total Monthly Cost for Labor</b>                                                                |                | Actual monthly            |
| <b>Service Fee – 10% of Total Monthly Cost for Labor</b>                                           |                | Actual monthly            |
| <b>NON - LABOR</b>                                                                                 |                |                           |
| <b>Site Overhead</b>                                                                               | \$106,296      | \$8,856                   |
| <b>Parts, Materials, Software Licenses (including Antivirus, and OS patching) and Support Fees</b> |                | Actual monthly            |
| <b>Beumer Help Desk Fee</b>                                                                        | \$94,545       | \$7,879                   |
| <b>As Needed Services</b>                                                                          | Per Task Order | Actual monthly            |
| <b>Travel Expenses</b>                                                                             |                | Actual monthly            |
| <b>Deductions for Performance Non-Compliance</b>                                                   | Deduction \$   | Actual monthly            |
| <b>Total Monthly Invoice Value</b>                                                                 |                | Actual monthly            |

| July 2027 through June 2028                                                                        |                |                           |
|----------------------------------------------------------------------------------------------------|----------------|---------------------------|
|                                                                                                    | Annual Total   | Monthly Total             |
| <b>LABOR</b>                                                                                       |                |                           |
| <b>Wages and Benefits</b>                                                                          | \$7,868,009    | From Monthly Labor Report |
| Adjustments for hours not worked                                                                   | Deduction \$   | Actual monthly            |
| <b>Wages and Benefits – Adjusted</b>                                                               |                | Actual monthly            |
|                                                                                                    |                |                           |
| <b>SFO Requested Overtime</b>                                                                      |                | Actual monthly            |
|                                                                                                    |                |                           |
| <b>Labor Overhead 2% of Wages and Benefits – Adjusted</b>                                          |                | Actual monthly            |
|                                                                                                    |                |                           |
| <b>Total Monthly Cost for Labor</b>                                                                |                | Actual monthly            |
|                                                                                                    |                |                           |
| <b>Service Fee – 10% of Total Monthly Cost for Labor</b>                                           |                | Actual monthly            |
|                                                                                                    |                |                           |
| <b>NON - LABOR</b>                                                                                 |                |                           |
| <b>Site Overhead</b>                                                                               | \$109,405      | \$9,124                   |
|                                                                                                    |                |                           |
| <b>Parts, Materials, Software Licenses (including Antivirus, and OS patching) and Support Fees</b> |                | Actual monthly            |
|                                                                                                    |                |                           |
| <b>Beumer Help Desk Fee</b>                                                                        | \$94,545       | \$7,879                   |
|                                                                                                    |                |                           |
| <b>As Needed Services</b>                                                                          | Per Task Order | Actual monthly            |
|                                                                                                    |                |                           |
| <b>Travel Expenses</b>                                                                             |                | Actual monthly            |
|                                                                                                    |                |                           |
| <b>Deductions for Performance Non-Compliance</b>                                                   | Deduction \$   | Actual monthly            |
|                                                                                                    |                |                           |
| <b>Total Monthly Invoice Value</b>                                                                 |                | Actual monthly            |

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 25-0153

**AWARD OF SOLE SOURCE CONTRACT NO. 50409 TO BEUMER LIFECYCLE MANAGEMENT, LLC FOR THE OPERATION AND MAINTENANCE OF AIRPORT BAGGAGE HANDLING SYSTEMS, FOR A TOTAL NOT-TO-EXCEED CONTRACT AMOUNT OF \$30,000,000 AND A TERM OF THREE YEARS, WITH A SINGLE OPTION TO EXTEND FOR TWO YEARS**

WHEREAS, the current contract to operate and maintain the baggage handling system (BHS) at Harvey Milk Terminal 1 (HMT1) will expire on December 31, 2025; and

WHEREAS, BEUMER Lifecycle Management, LLC (BLM), the affiliate of Beumer Corporation, the construction company that delivered the HMT1 BHS, currently operates and maintains the BHS; and

WHEREAS, a portion of the HMT1 BHS that was expanded as part of the Harvey Milk Terminal 1 North expansion project is still under warranty, and the entire BHS operates with proprietary software that only BLM can service and support; and

WHEREAS, Staff has successfully negotiated an agreement with BLM where BLM will continue to provide 24/7/365 operational availability for the BHS, as well as BHS maintenance services, including labor, materials, parts, and equipment; now, therefore, be it

RESOLVED, that this Commission hereby awards Sole Source Contract No. 50409 to BEUMER Lifecycle Management, LLC for the operation and maintenance of Airport baggage handling systems, for a total not-to-exceed Contract amount of \$30,000,000 and a term of three years, with a single option to extend for two years, exercisable at the sole and absolute discretion of this Commission; and, be it further

RESOLVED, that this Commission hereby directs the Director of Commission Affairs to request approval of Sole Source Contract No. 50409 from the Board of Supervisors pursuant to Section 9.118(b) of the Charter of the City and County of San Francisco.

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

*at its meeting of* \_\_\_\_\_



**SEP 16 2025**

  
Secretary



**MEMORANDUM**

September 16, 2025

TO: AIRPORT COMMISSION  
Hon. Malcolm Yeung, President  
Hon. Jane Natoli, Vice President  
Hon. Jose F. Almanza  
Hon. Mark Buell  
Hon. Susan Leal

15-0153

SEP 16 2025

FROM: Airport Director

SUBJECT: Award of Sole Source Contract No. 50409 to BEUMER Lifecycle Management, LLC for the Operation and Maintenance of Airport Baggage Handling Systems

DIRECTOR'S RECOMMENDATION: AWARD SOLE SOURCE CONTRACT NO. 50409 TO BEUMER LIFECYCLE MANAGEMENT, LLC FOR THE OPERATION AND MAINTENANCE OF AIRPORT BAGGAGE HANDLING SYSTEMS, FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$30,000,000 AND A TERM OF THREE YEARS, WITH A SINGLE OPTION TO EXTEND FOR TWO YEARS.

**Executive Summary**

BEUMER Lifecycle Management, LLC (BLM) currently operates and maintains the Airport's baggage handling system in Harvey Milk Terminal 1 (HMT1). This state-of-the art system uses bi-directional tote system technology to transport bags throughout the terminal that can only be supported by BLM. Staff recommends award of Sole Source Contract No. 50409 for the operation and maintenance of Airport baggage handling systems to BEUMER Lifecycle Management, LLC.

**Background**

The current contract to operate and maintain the baggage handling system (BHS) at HMT1 will expire on December 31, 2025. At the time of delivery, the BHS at HMT1 was unique in North America for using the Beumer Corporation's bi-directional tote technology to deliver checked luggage from ticketing counters to departing airplanes, and from arriving airplanes to baggage claim or other departing airplanes.

The HMT1 BHS was later expanded in June of 2024 by approximately 33% as part of the Harvey Milk Terminal 1 North expansion project.

BEUMER Lifecycle Management, LLC, the affiliate of Beumer Corporation, the construction company that delivered the HMT1 BHS, currently operates and maintains the BHS. As the North extension of the HMT1 BHS is still under warranty and the entire system operates with

THIS PRINT COVERS CALENDAR ITEM NO. 7

proprietary software that only BLM can service and support, Staff seek Commission approval to enter into a new sole source contract with BLM for the operation and maintenance of the baggage handling system at HMT1.

Staff have successfully negotiated the scope of work, billing rates, and fees with BLM. Under Sole Source Contract No. 50409, BLM will continue to provide 24/7/365 operational availability for the BHS, as well as baggage handling system maintenance services, including labor, materials, parts, and equipment. The scope of services also includes scheduled and preventative maintenance, on-call unscheduled maintenance and repairs, and reporting. Labor rates for work will comply with California State and San Francisco prevailing wage requirements.

The Contract will have an original term of three years with a single option to extend the term for a period of two years, exercisable at the sole and absolute discretion of this Commission.

On March 5, 2025, the City's Office of Contract Administration approved a waiver of competitive solicitation requirements for Contract No. 50409 under San Francisco Administrative Code Section 21.5(d), Proprietary Article 12.

On March 19, 2025, the City's Contract Monitoring Division approved a waiver of San Francisco Local Business Enterprise subcontracting requirements for Contract No. 50409 due to the absence of subcontracting opportunities.

Because the Contract amount exceeds \$10,000,000, approval of the Board of Supervisors is required for Contract No. 50409 pursuant to San Francisco Charter Section 9.118(b).

### **Recommendation**

I recommend the Commission award Sole Source Contract No. 50409 for the operation and maintenance of Airport baggage handling systems to BEUMER Lifecycle Management, LLC, in an amount not to exceed \$30,000,000 for a term of three years, with a single option to extend for two years, exercisable at the sole and absolute discretion of the Commission, and direct the Director of Commission Affairs to seek Board of Supervisors approval of Contract No. 50409 pursuant to San Francisco Charter Section 9.118(b).

Sincerely,



Mike Nakornkhet  
Airport Director

Prepared by: Jeff Littlefield  
Chief Operating Officer

Attachment

President, District 8  
BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

Tel. No. 554-6968  
Fax No. 554-5163  
TDD/TTY No. 544-5227

**RAFAEL MANDELMAN**

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**PRESIDENTIAL ACTION**

Date: 10/21/25

To: Angela Calvillo, Clerk of the Board of Supervisors

---

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

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

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

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

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

☐ Transferring (Board Rule No 3.3)

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

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

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

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

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

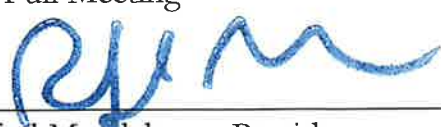
☒ Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: Chen Replacing Supervisor: \_\_\_\_\_

For: 10/22/25 Budget & Finance Meeting  
(Date) (Committee)

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

Temporary Assignment: ☐ Partial ☒ Full Meeting

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





## San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

[ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org) . [www.sfethics.org](http://www.sfethics.org)

Received On:

File #: 250971

Bid/RFP #:

### Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

#### 1. FILING INFORMATION

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

#### 2. CITY ELECTIVE OFFICE OR BOARD

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

#### 3. FILER'S CONTACT

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

#### 4. CONTRACTING DEPARTMENT CONTACT

|                                     |                                            |
|-------------------------------------|--------------------------------------------|
| <b>NAME OF DEPARTMENTAL CONTACT</b> | <b>DEPARTMENT CONTACT TELEPHONE NUMBER</b> |
| Cathy Widener                       | 650-821-5023                               |
| <b>FULL DEPARTMENT NAME</b>         | <b>DEPARTMENT CONTACT EMAIL</b>            |
| AIR Airport Commission              | Cathy.Widener@flysfo.com                   |

| 5. CONTRACTOR                                                                                         |                                             |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------|
| <b>NAME OF CONTRACTOR</b><br><br>Beumer Lifecycle Management, LLC                                     | <b>TELEPHONE NUMBER</b><br><br>732-893-2800 |
| <b>STREET ADDRESS (including City, State and Zip Code)</b><br><br>800 Apgar Drive, Somerset, NJ 08873 | <b>EMAIL</b>                                |

| 6. CONTRACT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                |                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------------|
| <b>DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>ORIGINAL BID/RFP NUMBER</b> | <b>FILE NUMBER (If applicable)</b><br>250971 |
| <b>DESCRIPTION OF AMOUNT OF CONTRACT</b><br><br>\$30,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                |                                              |
| <b>NATURE OF THE CONTRACT (Please describe)</b><br><br>Contractor to provide all labor, supervision, materials, repair, replacement parts, tools, supplies, lubricants, equipment, and other incidentals necessary to perform complete maintenance and repair services including routine and unscheduled maintenance, repair, inspection, operations management and automated controls support of the Baggage Handling System in the Harvey Milk Terminal 1 at San Francisco International Airport. Services to be provided 24/7/365. |                                |                                              |

| 7. COMMENTS |
|-------------|
|             |

| 8. CONTRACT APPROVAL                |                                                                                                                |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------|
| This contract was approved by:      |                                                                                                                |
| <input type="checkbox"/>            | THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM                                                           |
| <input checked="" type="checkbox"/> | A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES<br><br>Board of Supervisors                               |
| <input type="checkbox"/>            | THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS |

**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

| #  | LAST NAME/ENTITY/SUBCONTRACTOR | FIRST NAME | TYPE                    |
|----|--------------------------------|------------|-------------------------|
| 1  | Schmidt/Beumer/Contractor      | Markus     | Board of Directors      |
| 2  | Delaney/Beumer/Contractor      | David      | Board of Directors      |
| 3  | Olsson/Beumer/Contractor       | Henrik     | Board of Directors      |
| 4  | Sibley/Beumer/Contractor       | Mark       | Other Principal Officer |
| 5  | Kinski/Beumer/Contractor       | Uwe        | CFO                     |
| 6  |                                |            |                         |
| 7  |                                |            |                         |
| 8  |                                |            |                         |
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| 19 |                                |            |                         |

**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

| #  | LAST NAME/ENTITY/SUBCONTRACTOR | FIRST NAME | TYPE |
|----|--------------------------------|------------|------|
| 20 |                                |            |      |
| 21 |                                |            |      |
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| 37 |                                |            |      |
| 38 |                                |            |      |

### 9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

| #  | LAST NAME/ENTITY/SUBCONTRACTOR | FIRST NAME | TYPE |
|----|--------------------------------|------------|------|
| 39 |                                |            |      |
| 40 |                                |            |      |
| 41 |                                |            |      |
| 42 |                                |            |      |
| 43 |                                |            |      |
| 44 |                                |            |      |
| 45 |                                |            |      |
| 46 |                                |            |      |
| 47 |                                |            |      |
| 48 |                                |            |      |
| 49 |                                |            |      |
| 50 |                                |            |      |

☐ Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.

### 10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

**I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.**

**SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK**

**DATE SIGNED**

BOS Clerk of the Board



September 18, 2025

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

Subject: Approval of Professional Services Contract No. 50409 for Operation and Maintenance of Airport Baggage Handling Systems, between BEUMER Lifecycle Management, LLC and the City and County of San Francisco, acting by and through its Airport Commission

Dear Ms. Calvillo:

Pursuant to Section 9.118 of the City Charter, I am forwarding for the Board of Supervisors a proposed Resolution approving Professional Services Contract No. 50409 for Operation and Maintenance of Airport Baggage Handling Systems, between BEUMER Lifecycle Management, LLC and the City and County of San Francisco, acting by and through its Airport Commission. This contract will have an initial term of three years (November 1, 2025 through October 31, 2028) with a total contract amount not to exceed \$30,000,000. The Airport Commission has approved the terms of the contract by adopting Resolution 25-0153 on September 16, 2025.

The following is a list of accompanying documents:

- Board of Supervisors Resolution;
- Approved Airport Commission Resolution No. 25-0153 and the accompanying memorandum;
- Form SFEC-126(f)4 (Board of Supervisors) for BEUMER Lifecycle Management, LLC;
- A copy of Contract No. 50409.

The following person may be contacted regarding this matter:

Dyanna Volek  
Government Affairs Manager  
[dyanna.volek@flysfo.com](mailto:dyanna.volek@flysfo.com)  
(650) 821-4005

Very truly yours,

*Kantrice Ogletree /s/*

Kantrice Ogletree  
Director of Commission Affairs

Enclosures

cc: Enrique Guadamos, Director of Terminal Systems and Wayfinding  
Cathy Widener, Chief External Affairs Officer

**AIRPORT COMMISSION** CITY AND COUNTY OF SAN FRANCISCO

**DANIEL LURIE**  
MAYOR

**MALCOLM YEUNG**  
PRESIDENT

**JANE NATOLI**  
VICE PRESIDENT

**JOSE F. ALMANZA**

**MARK BUELL**

**SUSAN LEAL**

**MIKE NAKORNKHET**  
AIRPORT DIRECTOR

POST OFFICE BOX 8097 SAN FRANCISCO, CA 94128 TEL 650.821.5000 FAX 650.821.5005 [FLYSFO.COM](http://FLYSFO.COM)