

**City and County of San Francisco
Office of Contract Administration
Purchasing Division**

Second Amendment

THIS **SECOND AMENDMENT** (“Amendment”) is made as of **July 1, 2026**, in San Francisco, California, by and between **Five Keys Schools and Programs** (“Contractor”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Director of the Office of Contract Administration.

Recitals

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

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the performance period and increase the contract amount; and

Whereas, Grantee was selected pursuant to San Francisco Administrative Code Section 21B, which authorizes the Department to enter into, or amend, contracts without adhering to the Administrative Code provisions regarding competitive bidding related to Projects Addressing Homelessness; and

Whereas, this is a contract for Services and the Local Business Enterprise (“LBE”) subcontracting participation requirement for the Services has been waived pursuant to waiver CMD14B0005577, and this Amendment is consistent with that waiver; and

Whereas, this Amendment is consistent with an approval obtained on March 16, 2026 from the Department of Human Resources on behalf of the Civil Service Commission under PSC number DHRPSC0002962 which authorizes the award of multiple agreements, the total value of which cannot exceed \$72,000,000 and the individual duration of which cannot exceed 6.4 years; and

Whereas, this Amendment is consistent with an approval obtained from City’s Homelessness Oversight Commission under [\[insert resolution number\]](#) approved on April 2, 2026 in the amount of \$39,569,622 for the period commencing December 15, 2022 and ending June 30, 2028; and

Whereas, this Amendment is consistent with an approval obtained from the City’s Board of Supervisors under [\[insert resolution number\]](#) approved on [\[insert date of Board action\]](#) in the amount of \$39,569,622 for the period commencing December 15, 2022 and ending June 30, 2028; and

Now, THEREFORE, the parties agree as follows:

Article 1 Preface

The following definitions shall apply to this Amendment:

1.1 Agreement. The term “Agreement” shall mean the Agreement dated **December 15, 2022**, between Contractor and City, as amended by the:

First Amendment, dated **December 1, 2023**.

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

1.3 San Francisco Labor and Employment Code. As of January 4, 2024, San Francisco Administrative Code Chapters 21C (Miscellaneous Prevailing Wage Requirements), 12B (Nondiscrimination in Contracts), 12C (Nondiscrimination in Property Contracts), 12P (Minimum Compensation), 12Q (Health Care Accountability), and 12U (Sweatfree Contracting) are redesignated as Articles 102 (Miscellaneous Prevailing Wage Requirements), 131 (Nondiscrimination in Contracts), 132 (Nondiscrimination in Property Contracts), 111 (Minimum Compensation), 121 (Health Care Accountability), and 151 (Sweatfree Contracting) of the San Francisco Labor and Employment Code, respectively. Wherever this Agreement refers to San Francisco Administrative Code Chapters 21C, 12B, 12C, 12P, 12Q, and 12U, it shall be construed to mean San Francisco Labor and Employment Code Articles 102, 131, 132, 111, 121, and 151, respectively.

1.4 Open For Business Legislative Changes. In October 2025, San Francisco enacted legislation that reduced obligations City places on contactors. These changes went into effect January 1, 2026. Articles 141 and 142 were repealed, to the extent those conditions appear in this Agreement, they should be treated as nullified. The dollar value threshold for application for Administrative Code Chapters 12F, 12N, 12L, 12Y, and 101 and Labor and Employment Code Article 151 were increased. If the Agreement is valued at less than \$230,000, 12N, 12Y and 101 are not in effect. If the Agreement is valued at \$230,000 or less, 12F and 151 are not in effect. If the Agreement is valued at less than \$1,000,000, Chapter 12L is not in effect. Any clause in the Agreement concerning a condition referenced above that is not in effect shall be treated as nullified.

Article 2 Modifications to the Scope of the Agreement

The Agreement is hereby modified as follows:

2.1 Term. Article 2. Term of the Agreement currently reads as follows:

- 2.1 The term of this Agreement shall commence on **December 15, 2022** and expire on **June 30, 2026**, unless earlier terminated as otherwise provided herein.
- 2.2 The City may extend this Agreement beyond the termination date by exercising an option at the City's sole and absolute discretion and by modifying this Agreement as provided in Section 11.5, "Modification of this Agreement."

Such section is hereby amended in its entirety to read as follows:

Article 2 Term of the Agreement

- 2.1 The term of this Agreement shall commence on **December 15, 2022** and expire on **June 30, 2028**, unless earlier terminated as otherwise provided herein.

- 2.2 **Reserved. (Extension Options).**

- 2.2 **Section 3.3 Compensation.** Section 3.3 Compensation of the Agreement currently reads as follows:

3.3.1 Calculation of Charges. Contractor shall provide an invoice to the City on a monthly basis for goods delivered and/or Services completed in the immediate preceding month, unless a different schedule is set out in Appendix C, Method of Payment. Compensation shall be made for goods and/or Services identified in the invoice that the City, in its sole discretion, concludes has been satisfactorily performed. In no event shall the amount of this Agreement exceed **Twenty Seven Million Two Hundred Ninety Six Thousand Nine Hundred Ninety Three Dollars (\$27,296,993)**. The breakdown of charges associated with this Agreement appears in Appendix B, Budget, attached hereto and incorporated by reference as though fully set forth herein. A portion of payment may be withheld until conclusion of the Agreement if agreed to by both parties as retainage, described in Appendix C, Method of Payment. In no event shall City 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.

(a) Contractor understands that, of the Payment listed under 3.3.1 Calculation of Charges of this Agreement, **Two Million Six Hundred Sixty Thousand Eight Hundred Ninety Two Dollars (\$2,660,892)** is included as a contingency amount and is neither to be used in Budget(s) attached to this Agreement or available to Contractor without a modification to the Appendix B, Budget, which has been approved by the Department Homelessness and Supportive Housing. Contractor further understands that no payment for any portion of this contingency amount will be made unless and until a modification or revision has been fully approved and executed in accordance with applicable City and Department laws, regulations, policies/procedures and certification as to the availability of funds by Controller. Contractor agrees to fully comply with these laws, regulations, and policies/procedures.

Such section is hereby amended in its entirety to read as follows:

3.3.1 Contract Not to Exceed Amount. The amount of this Agreement shall not exceed **Thirty Nine Million Five Hundred Sixty Nine Thousand Six Hundred Twenty Two Dollars (\$39,569,622)**, the breakdown of which appears in Appendix B, "Budget." 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.

(a) Contractor understands that, of the Payment listed under 3.3.1 Calculation of Charges of this Agreement, **Three Million Four Hundred Ninety Two Thousand One Hundred Fifty Five Dollars (\$3,492,155)** is included as a contingency amount and is neither to be used in Budget(s) attached to this Agreement or available to Contractor without a modification to the Appendix B, Budget, which has been approved by the Department Homelessness and Supportive Housing. Contractor further understands that no payment for any portion of this contingency amount will be made unless and until a modification or revision has been fully approved and executed in accordance with applicable City and Department laws, regulations, policies/procedures and certification as to the availability of funds by Controller. Contractor agrees to fully comply with these laws, regulations, and policies/procedures.

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 Invoicing. Contractor shall invoice the City for the Services provided under this Agreement on a timely basis, and in no event later than 30 days after delivery of the Services or as specified in Appendix B, Calculation of Charges, except for the last invoice of the fiscal year which must be submitted within 15 days before the end of July. Invoices submitted by Contractor must be in a form acceptable to the Controller and City and include a unique invoice number and a specific

invoice date. Payment shall be made by City as specified in Section 3.3.7, 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 **Reserved. (LBE Payment and Utilization Tracking System).**

3.3.7 **Grant Funded Contracts.**

- (a) **Grant Terms.** The funding for this Agreement is provided in full or in part by a Federal or State Grant to City. As part of the terms of receiving the funds, City is required to incorporate some of the terms into this Agreement.
- (b) **Disallowance.** If Contractor requests or receives payment from City for Services, reimbursement for which is later disallowed due to Contractor's non-compliance with the Grant Terms, Contractor shall promptly refund the disallowed amount to City upon City's request. At its option, City may offset the amount disallowed from any payment due or to become due to Contractor under this Agreement or any other agreement between Contractor and City.
- (c) **Subgrantees.** Contractor shall insert each Grant Term into each lower tier subcontract. Contractor is responsible for compliance with the Grant Terms by any subcontractor, lower-tier subcontractor or service provider.

3.3.8 **Payment Terms.**

- (a) **Payment Due Date:** Unless City notifies the Contractor that a dispute exists, Payment shall be made within 30 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 has issued a check to Contractor or, if Contractor has agreed to electronic payment, the date on which City has posted electronic payment to Contractor.
- (b) **Reserved. (Payment Discount Terms).**

Article 3 Updates of Standard Terms to the Agreement

The Agreement is hereby modified as follows:

Article 1 Definitions. *The following definitions are hereby added to the Agreement in Article 1 Definitions. If the terms are currently defined in the Agreement, then the included terms below supersede and expressly replace the existing definitions:*

- 3.1** “Artificial Intelligence” or “Artificial Intelligence Model” means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.
- 3.2** “Artificial Intelligence System” means a machine-based system that is designed to operate with varying levels of autonomy and that may exhibit adaptiveness after deployment, and that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments.
- 3.3** “City” means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration or the Director’s designated agent, hereinafter referred to as “Purchasing” and the Department of Homelessness and Supportive Housing.
- 3.4** “City Data” means all data collected, used, maintained, processed, stored, and/or generated by or on behalf of City in connection with this Agreement. City Data includes, without limitation, Confidential Information and Deliverable Data.
- 3.5** “Confidential Information” means confidential City information including, but not limited to, personal identifiable information (“PII”), protected health information (“PHI”), or individual financial information (collectively, “Proprietary or Confidential Information”) that is subject to local, state or federal laws restricting the use and disclosure of such information. Confidential Information includes, without limitation, City Data.
- 3.6** “Contractor” means Five Keys Schools and Programs, 70 Oak Grove St, San Francisco CA 94107.
- 3.7** “Deliverable Data” means any data that is required to be delivered to City as a Deliverable, or as a part of a Deliverable, under this Agreement.
- 3.8** “Generative Artificial Intelligence” means artificial intelligence that can generate derived synthetic content, such as text, images, video, and audio, that emulates the structure and characteristics of the artificial intelligence’s training data.
- 3.9** “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.

- 3.10** "Personal Identifiable Information (PII)" means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household. Personal information includes, but is not limited to, the following if it identifies, relates to, describes, is reasonably capable of being associated with, or could be reasonably linked, directly or indirectly, with a particular individual or household as further defined in the California Consumer Privacy Act.
- 3.11** "Services" means the work performed by Contractor under this Agreement as specifically described in the "Services to be Provided" attached as Appendix A, Services to be Provided, and Appendix B, Budget, including all services, labor, supervision, materials, equipment, actions and other requirements to be performed and furnished by Contractor under this Agreement.
- 3.12** **Section 3.1 Certification of Funds; Budget and Fiscal Provisions** of the Agreement is replaced in its entirety to read as follows:

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."

3.13 Section 3.2 Guaranteed Maximum Costs of the Agreement is hereby deleted and replaced in its entirety to read as follows:

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. Such authorization may be for a partial or full scope of services.

3.14 Section 3.4 Audit and Inspection of Records. Section 3.4 of the Agreement is replaced in its entirety to read as follows:

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.

3.15 Section 3.5 Submitting False Claims. Section 3.5 of the Agreement is replaced in its entirety to read as follows:

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.

3.16 Section 3.6 Payment of Prevailing Wages. Section 3.6 of the Agreement is replaced in its entirety to read as follows:

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 Articles 101 through 107 of the San Francisco Labor and Employment Code, as

applicable, including without limitation the California Labor Code provisions incorporated therein (collectively, "Covered Services"), all of 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, as such prevailing wage rates may be changed during the term of this Agreement, are hereby incorporated as provisions of this Agreement. Contractor agrees that it shall pay not less than the highest general Prevailing Rate of Wages to all workers employed by Contractor who perform Covered Services under this Agreement. Copies of the Prevailing Rate of Wages as fixed and determined in accordance with Labor and Employment Code Section 103.2 are available from the City's Office of Labor Standards and Enforcement ("OLSE") and are on file at the Department's principal office or at the job site and shall be made available to any interested party on request.
- 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 for such labor and services.
- 3.6.4. Job Site Notices and Records.** Contractor shall prominently post at each job site a sign informing employees that the work is subject to the City's Prevailing Wage requirements and that these requirements are enforced by OLSE. Contractor shall also maintain a sign-in and sign-out sheet in a format prescribed by OLSE showing which employees are present on the job site.
- 3.6.5. Payroll Records.** Contractor shall keep or cause to be kept, for a period of four years from the date of completion of the subject work, complete and accurate payroll records for all workers performing Covered Services, including without limitations time cards, trust fund reports, apprenticeship agreements, accounting ledgers, tax forms, proof of payment, and superintendent and foreperson daily logs for all trades workers performing work. 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.

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.

3.6.7. Compliance Monitoring. Covered Services performed under this Agreement are subject to compliance monitoring and enforcement of prevailing wage requirements by OLSE. Contractor and any subcontractors performing Covered Services will cooperate fully with 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, and (ii) OLSE may audit such records of Contractor and any subcontractors as it reasonably deems necessary. Failure to comply with these requirements may result in penalties and forfeitures pursuant to the California Labor Code, including Section 1776(h), as amended from time to time, and San Francisco Labor and Employment Code Article 101 through 107, 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 the San Francisco Labor and Employment Code 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.

3.17 Section 4.2 Personnel. Section 4.2 of the Agreement is replaced in its entirety to read as follows:

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.

3.18 Section 4.3 Subcontracting. Section 4.3 of the Agreement is replaced in its entirety to read as follows:

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.

3.19 Section 4.5 Assignment. Section 4.5 is replaced in its entirety to read as follows:

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.

3.20 Section 5.1 Insurance. Section 5.1.3 Waiver of Subrogation Endorsements and Section 5.1.4 Primary Insurance Endorsements of the agreement are replaced in its entirety to read as follows:

5.1.3 Waiver of Subrogation. The Workers' Compensation 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) Reserved. (The Pollution Liability Insurance as Primary Insurance).

3.21 Section 5.2 Indemnification. Section 5.2 of the Agreement is replaced in its entirety to read as follows:

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.
- 5.2.3 Contractor shall indemnify, defend, 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, defend, or hold harmless Contractor.

3.22 Section 7.2 Possessory Interest Taxes. Section 7.2 of the Agreement is replaced in its

entirety to read as follows:

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.

3.23 **Section 9.1 Ownership of Results.** Section 9.1 of the Agreement is replaced in its entirety to read as follows:

9.1 **Ownership of Results.** Any interest of Contractor or its subcontractors, in the Deliverables, any partially-completed Deliverables, and related materials, shall become the property of and will be transmitted to City. Unless expressly authorized in writing by City, Contractor may not retain and use copies for reference and as documentation of its experience and capabilities.

3.24 **Section 9.2 Works for Hire.** Section 9.2 of the Agreement is replaced in its entirety to read as follows:

9.2 **Works for Hire.** All copyrights in Deliverables that are considered works for hire under Title 17 of the United States Code, shall be the property of City. If any such Deliverables are ever determined not to be works for hire under federal law, Contractor hereby assigns all Contractor’s copyrights to such Deliverables to 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 its subcontractors. With City’s prior written approval, Contractor and its subcontractors 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.

3.25 **Section 10.5 Nondiscrimination Requirements.** Section 10.5 of the Agreement is replaced in its entirety to read as follows:

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 Article 131.2.

3.26 Section 10.7 Minimum Compensation Ordinance. Section 10.7 of the Agreement is replaced in its entirety to read as follows:

10.7 **Minimum Compensation Ordinance.** San Francisco Labor and Employment Code Article 111 applies to this Agreement. Contractor shall pay covered employees no less than the minimum compensation required by 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.

3.27 Section 10.8 Health Care Accountability Ordinance. Section 10.8 of the Agreement is replaced in its entirety to read as follows:

10.8 **Health Care Accountability Ordinance.** San Francisco Labor and Employment Code Article 121 applies to this Agreement. Contractor shall comply with the requirements of Article 121. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 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.

3.28 Section 10.11 Limitations on Contributions. Section 10.11 of the Agreement is replaced in its entirety to read as follows:

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 the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, 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 the 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 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.

3.29 Section 10.15 Nonprofit Contractor Requirements. Section 10.15 of the Agreement is replaced in its entirety to read as follows:

10.15 Nonprofit Contractor Requirements.

10.15.1 Good Standing. If Contractor is a nonprofit organization, Contractor represents that it is in good standing with the California Attorney General's Registry of Charitable Trusts and will remain in good standing during the term of this Agreement. Contractor shall immediately notify City of any change in its eligibility to perform under the Agreement. Upon City's request, Contractor shall provide documentation demonstrating its compliance with applicable legal requirements. If Contractor will use any subcontractors to perform the Agreement, Contractor is responsible for ensuring they are also in compliance with the California Attorney General's Registry of Charitable Trusts for the duration of the Agreement. Any failure by Contractor or its subcontractors to remain in good standing

with applicable requirements shall be a material breach of this Agreement.

10.15.2 Public Access to Nonprofit Records and Meetings. If Contractor is a nonprofit organization; provides Services that do not include services or benefits to City employees (and/or to their family members, dependents, or their other designated beneficiaries); and receives a cumulative total per year of at least \$1,000,000 in City funds or City-administered funds, Contractor must comply with the City's Public Access to Nonprofit Records and Meetings requirements, as set forth in Chapter 12L of the San Francisco Administrative Code, including the remedies provided therein.

3.30 Section 10.17 Distribution of Beverages and Water. Section 10.17 of the Agreement is replaced in its entirety to read as follows:

10.17 Distribution of Beverages and Water.

10.17.1 Sugar-Sweetened Beverage Prohibition. Contractor agrees that it shall not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Agreement.

10.17.2 Reserved.

3.31 Notices to the Parties. Section 11.1 Notices to the of the Agreement is hereby deleted and replaced in its entirety to read as follows:

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 email, and shall be addressed as follows:

If to the Department or City: Department of Homelessness and Supportive Housing
Contracts Unit
440 Turk Street
San Francisco, CA 94102
hshcontracts@sfgov.org

If to Contractor: Five Keys Schools and Programs
70 Oak Grove Street
San Francisco, CA 94107
Attn: Steve Good
steveg@fivekeys.org

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.

3.32 Section 11.2 Compliance with Laws Requiring Access for People with Disabilities.

Section 11.2 of the Agreement is replaced in its entirety to read as follows:

11.2 Compliance with Laws Requiring Access for People with Disabilities.

11.2.1 Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to 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.

3.33 Section 11.4 Sunshine Ordinance. Section 11.4 of the Agreement is replaced in its entirety to read as follows:

11.4 **Sunshine Ordinance.** Contractor acknowledges that this Agreement and all City records related to its formation, Contractor's performance of Services, and City's payment may be 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.

3.34 Appendices. Section 12.1 Appendices of the Agreement is hereby deleted and replaced in its entirety to read as follows:

12.1. Appendices. This Agreement and the Application Documents set forth the entire Agreement between the parties, and supersede all other oral or written provisions. If there is any conflict between the terms of this Agreement and the Application Documents, the terms of this Agreement shall govern. The following appendices are attached to and a part of this Agreement:

Appendix A, Services to be Provided (dated July 1, 2026)

Appendix B, Budget (dated July 1, 2026)
Appendix C, Method of Payment (dated July 1, 2026)
Appendix D, Real Estate Access to City Property

3.35 Article 13 Data and Security. Article 13 is hereby replaced in its entirety to read as follows:

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 Reserved. (Payment Card Industry (“PCI”) Requirements).

13.3 Reserved. (Business Associate Agreement).

13.4 Management of City Data.

13.4.1 Use of City Data. Contractor agrees to hold City Data received from, or created or collected on behalf of, City, in strictest confidence. Contractor shall not use or disclose City Data except as permitted or required by the Agreement or as otherwise authorized in writing by City. Any work by Contractor or its authorized subcontractors using, or sharing or storage of, City Data outside the United States is prohibited, absent prior written authorization by City. Access to City Data must be strictly controlled and limited to Contractor’s staff assigned to this project on a need-to-know basis only. City Data shall not be distributed, repurposed or shared across other applications, environments, or business units of Contractor. Contractor is provided a limited non-exclusive license to use City Data

solely for performing its obligations under the Agreement and not for Contractor's own purposes or later use, provided, however, that no City Data may be used by Contractor to train, modify or improve any Artificial Intelligence Systems or Models without City's prior written consent, which may be withheld or withdrawn at City's sole discretion. Nothing herein shall be construed to confer any license or right to City Data, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third-party. Unauthorized use of City Data by Contractor, subcontractors or other third-parties is prohibited. For purpose of this requirement, the phrase "unauthorized use" means the data mining or processing of data and/or machine learning from the data, stored or transmitted by the service, for unrelated commercial purposes, advertising or advertising-related purposes, or for any purpose that is not explicitly authorized other than security or service delivery analysis.

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

13.4.3 Disposition of City Data. Except as otherwise provided for in this Agreement, upon City's request, termination or expiration of this Agreement, or the expiration of any required document retention period or litigation hold, Contractor shall promptly, but in no event later than thirty (30) calendar days, return all City Data given to, or collected or created by Contractor on City's behalf, which includes all original media. Once Contractor has received written confirmation from City that the City Data has been successfully transferred to City, Contractor shall, within ten (10) business days, securely dispose, clear, purge, and/or physically destroy, all copies of all City Data from its servers, files, hosted environments used in performance of this Agreement (including subcontractors' environments), work stations used to process or produce the data, and any other work files stored by Contractor in whatever medium. Contractor shall provide City with written certification that such secure disposal occurred within five (5) business days of the disposal. Secure disposal shall be accomplished by "clearing," "purging" or "physical destruction," in accordance with National Institute of Standards and Technology (NIST) Special Publication 800-88 or most current industry standard.

- 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.
- 13.7 **Cybersecurity Risk Assessment.** If a Cybersecurity Risk Assessment (“CRA”) was required before entering the Agreement, Contractor must complete an annual CRA to demonstrate that it has maintained the data privacy and information security program required for City contractors. If Contractor does not satisfactorily complete an annual CRA, the City shall have the right, without further obligation or liability to Contractor, to terminate this Agreement or exercise any of its other remedies hereunder. Any failure by Contractor to comply with this Section shall be a material breach of this Agreement.
- 3.36 **Appendix A, Services to be Provided,** of the Agreement is hereby replaced in its entirety by the modified **Appendix A, Services to be Provided** (dated July 1, 2026), for the period of July 1, 2026 to June 30, 2028.
- 3.37 **Appendix B, Budget,** of the Agreement is hereby replaced in its entirety by the modified **Appendix B, Budget** (dated July 1, 2026), for the period of December 15, 2022 to June 30, 2026.
- 3.38 **Appendix C, Method of Payment,** is hereby replaced in its entirety by the modified **Appendix C, Method of Payment** (dated July 1, 2026).
- 3.39 **Appendix D, City and County of San Francisco Business Associate Agreement,** is hereby replaced in its entirety by the modified **Appendix D, Real Estate Access to City Property** (dated July 1, 2026).

Article 3 Effective Date

Each of the modifications set forth in Articles 2 and 3 shall be effective on and after July 1, 2026.

Article 4 Legal Effect

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

IN WITNESS WHEREOF, Contractor and City have executed this Agreement on the day first mentioned above.

CITY

CONTRACTOR

Recommended by:

FIVE KEYS SCHOOLS AND PROGRAMS

Shireen McSpadden
Director
Department of Homelessness and Supportive
Housing

Steve Good
Executive Director
City Supplier Number: 0000011181

Date: _____

Date: _____

Approved as to Form:
David Chiu
City Attorney

By: _____
Grace DiLaura
Deputy City Attorney

Date: _____

Approved:
Sailaja Kurella
Director of the Office of Contract Administration,
and Purchaser

By: _____
Sailaja Kurella

[Name of Purchaser: _____]

Authorized Signer

Date: _____