

CITY AND COUNTY OF SAN FRANCISCO

**CONTRACT ORDER**

CONTRACT WITH:

**AGS, INC.**

**5 FREELON STREET**  
**SAN FRANCISCO, CA 94107**

Original  
 Change - Increase  
 - Decrease  
 Other

Department: 27 Airport Commission		Controller No.: 0000444548; 0000747587, 0000827022
Department Contact: Rick Thall		Tel. No: (650) 821-7878
PS Contract ID: 1000018276		Date: 11/06/2024
* Category 95877	Supplier ID 0000003436	Job No. CT 11365.41
Period Covered: 06/17/2020-06/27/2026		Amount: \$0.00

**FOR THE PURPOSE OF: MODIFICATION 4 FOR CT11365.41 PMSS FOR THE ITB PHASE 2 PROJECT**

**PROJECT MANAGEMENT SUPPORT SERVICES FOR THE INTERNATIONAL TERMINAL BUILDING PHASE 2 PROJECT. THE CONTRACT AMOUNT NOT TO EXCEED \$9,650,000 AND THE TERM OF THE AGREEMENT THROUGH JUNE 27, 2026. MODIFICATION 4 TO ADMINISTRATIVELY MODIFY THE AGREEMENT ON THE TERMS AND CONDITIONS SET FORTH HEREIN TO UPDATE THE APPENDIX B, CALCULATION OF CHARGES, AND TO ADD A NEW SUB-CONSULTANT (HILL INTERNATIONAL, INC.) AND ITS CLASSIFICATION AND RANGE OF RATES**

Insurance Required	Amount	Expiration Date
Worker's Comp.	\$1,000,000	07/01/2025
Comp. Gen. Liab.	\$2,000,000	10/10/2025
Automobile	\$1,000,000	10/10/2025
Umbrella	\$3,000,000	10/10/2025
Prof. Liab	\$2,000,000	10/10/2025

PSC 43332-16/17 (05/17/17 - 12/31/26) AMOUNT \$420,000,000  
 PSC 43332-16/17 FORM 2 AMOUNT \$9,650,000

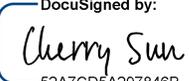
PREVIOUS ENCUMBRANCE: \$1,690,000.00 (PO-0000444548-Closed)  
 PREVIOUS ENCUMBRANCE: 190,000.00 (PO-0000444548-Closed)  
 PREVIOUS ENCUMBRANCE: 1,065,000.00 (PO 0000444548-Closed)  
 PREVIOUS ENCUMBRANCE: (602,742.12) (PO 0000444548-Closed)- PO not rolled FY23  
 PREVIOUS ENCUMBRANCE: 602,742.12 (PO 0000747587-Closed)  
 PREVIOUS ENCUMBRANCE: 886,000.00 (PO-0000747587-Closed) – FR5075  
 PREVIOUS ENCUMBRANCE: 870,000.00 ( PO-0000827022)-FR5336, 5442  
 PREVIOUS ENCUMBRANCE: \$1,400,000.00 ( PO-0000827022)-FR5647  
**THIS ENCUMBRANCE \$0.00 (PO-0000827022)-FR5647**  
 TOTAL ENCUMBRANCE: 6,101,000.00

Mail Invoice to:  
 RICK THALL  
 PLANNING, DESIGN & CONSTRUCTION

San Francisco Airport Commission  
 P.O. Box 8097  
 San Francisco, CA 94128

**CONTRACT PERIOD:** 06/17/2020-06/27/2026  
**CONTRACT AWARD:** \$4,880,000 PER COMMISSION RESOLUTION 20-0108. \$9,650,000 PER COMMISSION RESOLUTION 23-0221.

**RECOMMENDED AND APPROVED**

IVAR C. SATERO Airport Director DocuSigned by:  By: 52A7CD5A297846B...		Chief Administrative Officer, Board of Supervisor		Materials, Supplies & Services Purchaser Real Property Leases & Rents Director of Property			Certification Date:  11/6/2024	
Number	Ln	Amount	Account	Fund	Dept.	Authority	Project	Activity

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

**AGS, Inc.**

**Modification No. 4**

**Contract No. 11365.41  
Project Management Support Services for the  
International Terminal Building Phase 2 Project**

This Modification is made this 1st day of October 2024, in the City and County of San Francisco, State of California, by and between AGS, Inc. 5 Freelon Street, San Francisco, California 94107 (the “Contractor”) and the City and County of San Francisco, a municipal corporation (the “City”), acting by and through its Airport Commission (the “Commission”).

**Recitals**

- A. City and Contractor have entered into the Agreement for the San Francisco International Airport (the “Airport” or “SFO”) for Project Management Support Services for the International Terminal Building Phase 2 Project; and
- B. The Commission is authorized to enter into all contracts which relate to matters under its jurisdiction; and
- C. On June 16, 2020, by Resolution No. 20-0108, the Commission awarded this Agreement to the Contractor for an amount not to exceed \$4,880,000 for 40 months of services; and
- D. On September 5, 2023, by Resolution No. 23-0221, the Commission approved Modification No. 1 increasing the contract amount by \$4,770,000 for a new total contract amount not to exceed \$9,650,000 and extending the term of the Agreement through June 27, 2026, for a total of 2,172 consecutive calendar days. Updates to the range of rates to adjust for CPI increases to allow for a 2% markup on first-tier subcontractor invoices, addition of new classifications and rates, and standard contractual clauses were also updated through Modification No. 1; and
- E. On April 1, 2024, City and Contractor administratively modified the Agreement to add a new sub-consultant (Abadjis Systems, Ltd. dba ASLPM) through Modification No. 2; and
- F. On June 1, 2024, City and Contractor administratively modified the Agreement to add a new classification and its range of rates through Modification No. 3; and
- G. City and Contractor desire to administratively modify the Agreement on the terms and conditions set forth herein to update the Appendix B, Calculation of Charges, and to add a new sub-consultant (Hill International, Inc.) and its classification and range of rates; and
- H. Approval for this Agreement was obtained when the Civil Service Commission approved DHRPSC0004369 (formerly PSC No. 43332-16/17) on November 20, 2023; and

I. Contractor represents and warrants that it is qualified to perform the services required by City under this Agreement.

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

1. **Section 1.1 Agreement** is replaced as follows:

1.1 “Agreement” means the contract document dated June 16, 2020, Modification No. 1 dated November 16, 2023, Modification No. 2 dated April 1, 2024, Modification No. 3 dated June 1, 2024, including all attached appendices, and all applicable City ordinances and “Mandatory City Requirements” which are specifically incorporated by reference into the Agreement.

2. **Appendix B, Calculation of Charges, B. Method of Payment**, is hereby replaced in its entirety as follows:

**B. Method of Payment**

1. Unless approved otherwise by the Airport, Contractor’s services shall be invoiced on a monthly basis and payment will be made within 30 days of receipt of an acceptable invoice with satisfactory backup documentation, approved by the Airport Project Manager. The term “invoice” shall include Contractor’s bill or other written request for payment under this Agreement for Services performed. All invoices shall be made in writing and delivered or mailed to the Airport to the mailing address listed in Section 11.1, “Notices to the Parties,” of the Agreement.
2. Contractor shall invoice for the Services performed in conformance with procedures approved by the Airport.
  - a. Such invoices shall segregate current costs from previously invoiced costs.
  - b. Costs for individual labor shall be segregated by tasks and subtasks, if any.
  - c. In no case shall Contractor’s invoices include costs which the Airport has disallowed or otherwise indicated that it will not recognize. Costs shall be invoiced by Contractor’s accounting categories and shall be subject to the audit provisions of this Agreement.
  - d. Each invoice shall clearly distinguish Contractor’s personnel invoiced at either the home office or field office overhead rate.
  - e. Such invoices shall be, as a minimum: (i) mechanically accurate, (ii) substantially evidenced and properly supported, and (iii) in compliance with generally accepted accounting principles.
3. Contractor shall also certify, for each invoice, that (i) the rates for direct labor to be paid under this Agreement, whether for Contractor or its subcontractor(s), are not in excess of the rates actually being paid to Contractor or subcontractor employees engaged in the performance of Services under this Agreement at that time; and (ii) that such rates are in conformance with the Agreement.
4. The Airport reserves the right to withhold payment(s) otherwise due to Contractor in the event of Contractor’s material non-compliance with any of the provisions of the

Agreement, including, but not limited to, the requirements imposed upon Contractor in Article 5, “Insurance and Indemnity,” of the Agreement. The Airport shall provide notice of withholding and may continue the withholding until Contractor has provided evidence of compliance that is acceptable to the Airport.

3. **Appendix B, Calculation of Charges, C. Labor Rates and Fees**, is hereby replaced in its entirety as follows:

**C. Labor Rates and Fees**

1. Direct Labor Rates and Direct Labor Rate Adjustments

- a. Salaried personnel shall be paid on a maximum of 40 hours per week with no overtime. Salaried personnel assigned to multiple projects shall be paid on a pro-rata share of a 40-hour week. Contractor shall provide copies of signed timecards or other verifiable time records showing all assigned projects and the shared calculation.
- b. The approved direct labor rate ranges stated in Paragraph 5, Direct Labor Rates below shall be in effect for the duration of the Agreement, unless modified at the Airport’s sole discretion. Any changes to the direct labor rate ranges must be approved by the Airport and included in a written modification to the Agreement.
- c. Contractor shall request direct labor rate adjustments in accordance with the following procedures:
  - i. At the written request of Contractor, the Airport may approve an adjustment to the direct labor rates for individual staff who have been actively providing services under the Agreement for a minimum of one (1) year.
  - ii. If approved by the Airport, the annual rate adjustment will be based on the December increase in the Consumer Price Index (CPI) for the preceding twelve (12) months for the San Francisco Bay Area as published by the U.S. Department of Labor, Bureau of Labor Statistics, under the title of: “All Urban Consumers – San Francisco-Oakland-Hayward, California.” This December-based CPI will be used for optional annual rate adjustments for the entire calendar year.
  - iii. The Airport will analyze requests for rate adjustments to determine if the requested adjustment(s) will cause any individual staff direct labor rates to exceed the approved direct labor rate range for their respective classification. Should any of the new rate(s) exceed the approved direct labor rate range(s), and if the rate adjustment is approved by the Airport, the Airport will modify the Agreement. These new rates will be effective upon certification of the contract modification.
  - iv. If all new rates fall within the approved direct labor rate ranges, the new rates will be effective upon receipt of written approval from the Airport Contract Manager.
- d. No other adjustments will be allowed unless the adjustment is made to meet the requirements of prevailing or minimum wage legislative mandates.

2. Overhead Rates

- a. Contractor and approved first-tier subcontractors shall use the following approved overhead rates:

<b>Contractor</b>	<b>Home Office Overhead Rate</b>	<b>Field Office Overhead Rate</b>
AGS, Inc.	160.00%	145.00%

<b>Approved First-Tier Subcontractors</b>	<b>Home Office Overhead Rate</b>	<b>Field Office Overhead Rate</b>
Abadjis Systems, Ltd. DbA ASLPM	100.18%	100.18%
Chaves and Associates	150.00%	145.00%
Construction Management West, Inc.	54.39%	54.39%
Hill International, Inc.	160.00%	112.68%
InnoActive Group	150.00%	145.00%
MCK Americas, Inc.	120.00%	120.00%
MicroEstimating, Inc.	160.00%	145.00%
RES Engineers, Inc.	160.00%	145.00%
Ross & Baruzzini   CAGE	152.54%	145.00%
Stok, LLC	160.00%	145.00%
WSP USA Inc.	135.47%	135.47%

- b. The field office overhead rate shall be applied to the direct labor rates for staff provided with a workstation at the Airport, furnished with normal office equipment and materials including computers, printers, internet access, and office supplies.
- c. The home office overhead rate shall be applied to the direct labor rates for staff working from Contractor’s or subcontractor’s offices and not provided with an Airport computer. Use of the home office overhead rate requires prior written authorization from the Airport Contract Manager.
- d. Annual adjustments to the overhead rate may be requested only from firms that have their overhead rate audited independently by a certified public accountant or other government agency and must be accompanied by an updated audited overhead report. The audited overhead report must adhere to Generally Accepted Government Auditing Standards. The Airport reserves the right to approve, deny, or modify any changes in overhead rates during the term of the Agreement. Overhead rates shall not exceed 145% for field offices and 160% for home offices.
- i. If Contractor or subcontractor cannot provide an audited overhead report, they may submit a Statement of Direct Labor, Fringe Benefits and General Overhead (financial statement) for the previous year. The Airport will evaluate and if the overhead rate contained within is accepted, this rate will be firm for the duration of the Agreement.
- ii. Small Business Enterprise (SBE) and Local Business Enterprise (LBE) subcontractors may request to use the Airport’s SBE/LBE standard overhead rate of 120% for work completed from a home office and 90% for work completed from a field office if the subcontractor does not have relevant cost history data to

use as a basis for overhead and the subcontract value is less than \$1,000,000. If approved, this rate will be firm for the duration of the Agreement.

3. Contractor Fee

- a. A maximum profit rate of 10% may be applied to the sum of the direct labor rates and overhead rates for Services performed by Contractor.
- b. A 2% markup may be applied to first-tier subcontractor invoices.
- c. No markups are allowed on any Other Direct Costs, unless pre-approved in writing by the Airport.

4. Sub-Consultant or Subcontractor Fee

- a. Subcontractors performing the Services may apply a maximum profit rate of 10% to the sum of the direct labor rates and overhead rates for Services performed.
- b. No markups are allowed on lower-tier subcontractors.
- c. No markups are allowed on any Other Direct Costs (all tiers), unless pre-approved in writing by the Airport.

5. Direct Labor Rates

CLASSIFICATION	RANGE OF RATES	
	LOW	HIGH
Administrative Assistant (First Source)	\$26.23	\$36.72
Administrative/Clerical	\$31.47	\$41.96
Airport Special Systems Manager	\$78.68	\$94.41
Apprentice Step 1	\$32.46	\$32.46
Apprentice Step 2	\$35.16	\$35.16
Apprentice Step 3	\$37.86	\$37.86
Apprentice Step 4	\$40.56	\$40.56
Apprentice Step 5	\$48.67	\$48.67
Assistant Construction Manager	\$47.21	\$78.68
Assistant Design Manager	\$41.96	\$68.19
Assistant Project Controls Manager	\$41.96	\$68.19
Assistant Resident Engineer	\$47.21	\$78.68
Building/Construction Inspector Group 1	\$58.27	\$58.27
Building/Construction Inspector Group 2	\$56.27	\$56.27
Building/Construction Inspector Group 3	\$49.09	\$49.09
Building/Construction Inspector Group 4	\$43.09	\$43.09
Building Inspector	\$52.45	\$94.41
CBP/TSA Technical Advisor	\$62.94	\$89.17
Civil Inspector	\$52.45	\$94.41
Commissioning Agent	\$52.45	\$78.68

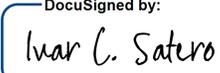
Commissioning Representative	\$73.43	\$89.17
Construction Manager	\$68.19	\$110.00
Cost Engineer/Estimator	\$36.72	\$83.92
Design Manager	\$62.94	\$110.00
Document Control Manager	\$47.21	\$78.68
Document Control Tech	\$36.72	\$47.21
Document Controls	\$31.47	\$62.94
Electrical Estimator	\$52.45	\$83.92
Electrical Inspector	\$52.45	\$78.68
Field Engineer	\$68.19	\$83.92
Inspector	\$52.45	\$78.68
Journeyman Group 1	\$58.77	\$58.77
Journeyman Group 2	\$56.77	\$56.77
Journeyman Group 3	\$49.56	\$49.56
Journeyman Group 4	\$43.59	\$43.59
Journeyman Group 5	\$35.16	\$35.16
Journeyman Group 6	\$32.46	\$32.46
Laboratory Technician	\$35.00	\$55.00
Materials Testing Inspector	\$36.72	\$52.45
MEP Inspector	\$52.45	\$78.68
MEP Manager	\$62.94	\$88.12
MEP Support	\$62.94	\$88.12
Office Engineer	\$31.47	\$62.94
Program Advisor III	\$85.00	\$120.00
Program Controls Manager	\$90.00	\$140.00
Project Controls	\$60.84	\$76.58
Project Controls Manager	\$52.45	\$110.00
Project Engineer	\$52.45	\$89.17
Project Manager	\$52.45	\$140.00
QA/QC Manager	\$78.68	\$89.17
Resident Engineer	\$68.19	\$99.66
Scheduler	\$47.21	\$83.92
Scheduling Engineer/Estimator	\$47.21	\$73.43
Senior Cost Engineer/Estimator	\$57.70	\$94.41
Senior Engineer	\$62.94	\$73.43
Senior Inspector	\$62.94	\$78.68
Senior Office Engineer	\$47.21	\$62.94
Senior Project Controls Manager	\$85.00	\$105.00
Senior Scheduler	\$68.19	\$94.41
Senior/Lead Scheduling Engineer/Estimator	\$68.19	\$94.41
Senior Special Inspector	\$41.96	\$52.45
SEP Manager	\$62.94	\$94.41
Special Inspector	\$26.23	\$52.45

Special Inspector (ICBO/CWI)	\$58.27	\$58.27
Special Inspector (OSPHD)	\$56.27	\$56.27
Structural Inspector	\$52.45	\$78.68
Sustainability Manager	\$62.94	\$94.41
Unifier Support	\$52.45	\$83.92

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

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

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

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By:  <small>3CFDC3E0126544B...</small> Ivar C. Satero, Airport Director	By:  <small>B646877352EB474...</small> Authorized Signature
	Bahram Khamenehpour, President AGS, Inc. 5 Freelon Street San Francisco, California 94107  City Supplier Number: 0000003436  Federal Employer ID Number: 68-0010385
Approved as to Form:  David Chiu City Attorney  By:  <small>FAC8E38F96494BE...</small> Daniel A. Edington, Deputy City Attorney	