

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

First Amendment

THIS **FIRST AMENDMENT** ("Amendment") is made as of **March 18, 2026**, in San Francisco, California, by and between **Sid Tool Co., Inc. dba MSC Industrial Supply Company**. ("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, increase the contract amount, and update standard contractual clauses; and

WHEREAS, Contractor was selected pursuant to San Francisco Administrative Code Section 21.16(b) pursuant to waiver OCAWVR0012970 granted by the Office of Contract Administration, and this Amendment is consistent with that waiver; and

WHEREAS, this Contract is deemed exempt from Chapter 14B of the San Francisco Administrative Code because this is primarily a commodities contract and, as such, there is no Local Business Enterprise ("LBE") subcontracting participation requirement for this Agreement; and

WHEREAS, this Agreement is for commodities (as defined by the 2023 PSC Policy of the Civil Service Commission) and, as such, is exempt from Civil Service Commission review.

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 4, 2023, between Contractor and City.

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 of Scope to the Agreement

The Agreement is hereby modified as follows:

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

2.1 The term of this Agreement shall commence on December 1, 2023 and expire on November 8, 2026, unless earlier terminated as otherwise provided herein.

2.2 Options. The City has the option to renew the Agreement two (2) times for one (1) additional year per extension through November 8, 2028, but only if the Sourcewell Contract is also extended per the terms and conditions of such contract. The City may extend this Agreement beyond the expiration 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 Article is hereby amended in its entirety to read as follows:

2.1 The term of this Agreement shall commence on December 1, 2023, and expire on November 8, 2028, unless earlier terminated as otherwise provided herein.

2.2 Reserved (Options).

2.2 Calculation of Charges. Section 3.3.1 Calculation of Charges of the Agreement currently reads as follows:

3.3.1 Calculation of Charges. Contractor shall provide an invoice to the City for Goods delivered in accordance with Appendix B, "Calculation of Charges." Compensation shall be made for Goods identified in the invoice that the City, in its sole discretion, concludes has been satisfactorily delivered. In no event shall the amount of this Agreement exceed **SEVEN MILLION DOLLARS AND ZERO CENTS (\$7,000,000)**. The breakdown of charges associated with this Agreement appears in Appendix B, "Calculation of Charges." In no event

shall City be liable for interest or late charges for any late payments. City will not honor minimum service order charges under this Agreement.

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

3.3.1 Calculation of Charges. Contractor shall provide an invoice to the City for Goods delivered in accordance with Appendix B, "Calculation of Charges." Compensation shall be made for Goods identified in the invoice that the City, in its sole discretion, concludes has been satisfactorily delivered. In no event shall the amount of this Agreement exceed **Nine Million Five Hundred Thousand dollars (\$9,500,000)**. The breakdown of charges associated with this Agreement appears in Appendix B, "Calculation of Charges." In no event shall City be liable for interest or late charges for any late payments. City will not honor minimum service order charges under this Agreement.

Article 3 Updates of Standard Terms to the Agreement

The Agreement is hereby modified as follows:

3.1 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:

"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.

"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.

"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.

"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.

"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.

“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.

“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.

3.2 **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.

Article 4 Effective Date

Each of the modifications set forth in this Amendment shall be effective on and after the date of this Amendment.

Article 5 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 Amendment as of the date first referenced above.

CITY

Recommended by:

DocuSigned by:

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Wil Alderman
Procurement Manager
Office of Contract Administration
3/18/2026

Date: _____

Approved as to Form:

David Chiu
City Attorney

DocuSigned by:

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By: _____
Duyen Nguyen
Deputy City Attorney

3/25/2026
Date: _____

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

DocuSigned by:

0041EC4D1516452...

Lorna Walker: _____
Authorized Signer

3/25/2026
Date: _____

CONTRACTOR

Sid Tool Co., Inc., dba MSC Industrial Supply
Company.

Signed by:

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David Haugh
Vice President – Public Sector

3/18/2026
Date: _____

City Supplier Number: 0000015973