

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  
CAGE Professional Services, Inc.

Contract No. 9024.9

This Agreement is made this 30th day of June, 2011, in the City and County of San Francisco, State of California, by and between: **CAGE Professional Services Inc., 6303 Commerce Drive, Suite 150, Irving, Texas 75063**, hereinafter referred to as "Contractor," and the City and County of San Francisco, a municipal corporation, hereinafter referred to as "City," acting by and through its Airport Commission or the Commission's designated agent, hereinafter referred to as "**Commission.**"

**Recitals**

WHEREAS, Commission wishes to enter into a contract with the Contractor to provide construction management services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvements Project; and,

WHEREAS, Commission is authorized to enter into all contracts which relate to matters under its jurisdiction; and

WHEREAS, a Request for Proposal ("RFP") was issued on April 22, 2011, and City selected Contractor as the highest qualified scorer pursuant to the RFP; and

WHEREAS, Commission awarded this contract to Contractor on June 30, 2011, pursuant to Resolution No. 11-0146 in which it gave authorization and appropriated funds to proceed with Task One of the three contemplated tasks; and

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by City as set forth under this Contract; and,

WHEREAS, approval for this Agreement was obtained when the Civil Service Commission approved Contract number PSC #4099-09/10 on June 6, 2011;

Now, THEREFORE, the parties agree as follows:

**1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions 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

PROPOSED  
AGREEMENT  
JUN 30 2011

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.

**2. Term of the Agreement.** Subject to Section 1, the term of this Agreement shall be from **June 30, 2011 to December 31, 2011.**

**3. Effective Date of Agreement.** This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein. If Appendix A includes as-needed services, such services shall be requested 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 herein without the need for a formal amendment to the Agreement. The task order shall include a description of the as-needed services, the deliverables, schedule for performance, cost, and method and timing of payment.

**5. Compensation.**

A. Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Airport Director or designee, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed **Five Hundred Eight-five Thousand Eight Hundred Five Dollars (\$585,805)**. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. All costs shall be subject to the provision in Appendix B.1, the Provisional Indirect Cost Rate Agreement. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by Design & Construction as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

B. The Contractor agrees to pay each subcontractor under this Agreement for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contractor receives from City. The Contractor agrees further to return retention payments to each subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the City. This clause applies to both DBE and non-DBE subcontractors.

C. The Airport Accounting is not authorized to pay monthly payment requests/invoices submitted by Contractor prior to Contractor's submission of Airport Federal Progress Payment Report – Federal Form 3 and Airport Federal Contract Exit Report and Affidavit – Federal Form 5 with the final payment request/invoice.

D. In no event shall City be liable for interest or late charges for any late payments.

E. The Contractor hereby states it is familiar with the provisions of Office of Management and Budget (OMB) Circular A-87, Cost Principles for State, Local and Indian Tribal Governments; that it understands the City does not intend to pay the Contractor for costs under this Agreement which are not reimbursable to City from its funding agencies in accordance with Circular A-87; and that all payments under this Agreement are subject to audit and adjustment.

**6. Guaranteed Maximum Costs.** The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

**7. Payment; Invoice Format.** Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All amounts paid by City to Contractor shall be subject to audit by City. Payment shall be made by City to Contractor at the address specified in the section entitled "Notices to the Parties."

**8. Submitting False Claims; Monetary Penalties.** Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at <http://www.municode.com/Library/clientCodePage.aspx?clientID=4201> . A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

**9. Disallowance.** If Contractor claims or receives payment from City for a service, reimbursement for which is later disallowed by the State of California or United States Government, 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. By executing this Agreement, Contractor certifies that Contractor is not suspended, debarred or otherwise excluded from participation in federal assistance programs. Contractor acknowledges that this certification of eligibility to receive federal funds is a material terms of the Agreement.

**10. Taxes.** Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless

the Agreement entitles the Contractor to possession, occupancy, or use of City property for private gain. If such a possessory interest is created, then the following shall apply:

A. Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

B. Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

C. Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest (see, e.g., Revenue & Tax Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

D. Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

**11. Payment Does Not Imply Acceptance of Work.** The granting of any payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay.

**12. Qualified Personnel.** Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City's request, and must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

**13. Responsibility for Equipment.** City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by City.

**14. Independent Contractor; Payment of Taxes and Other Expenses.**

A. **Independent Contractor.** Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor or any agent or employee of 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 or any agent or employee of Contractor is

liable for the acts and omissions of itself, its employees and its agents. 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 agent or employee of Contractor. Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

**B. Payment of 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 pursuant to the preceding two paragraphs shall be solely for 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, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in City's financial liability so that City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

## **15. Insurance.**

A. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverage:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than \$2,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(3) Commercial Automobile Liability Insurance with limits not less than \$2,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(4) Professional liability insurance, applicable to Contractor's profession, with limits not less than \$2,000,000 per occurrence with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement.

B. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

(1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insured, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

C. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

D. All policies shall provide thirty days' advance written notice to the City of reduction or nonrenewal of coverage or cancellation of coverage for any reason. Notices shall be sent to the City address in the "Notices to the Parties" section.

E. 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, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

F. 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.

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

H. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements 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 coverage set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

I. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

J. If a subcontractor will be used to complete any portion of this agreement, the Contractor shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents and employees and the Contractor listed as additional insured.

**16. Indemnification.** Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is 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 and experts and related costs and City's costs of investigating any claims against the City. 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. 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 in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

**17. Incidental and Consequential Damages.** The Contractor shall be responsible for its proportionate share of incidental and consequential damages resulting in whole or in part from the Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that the City may have under applicable law except as otherwise expressly provided herein.

**18. Liability of City.** CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 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.

**19. Liquidated Damages. LEFT BLANK BY AGREEMENT OF THE PARTIES**

**20. Default; Remedies.** Each of the following shall constitute an 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:

- |   |                                       |
|---|---------------------------------------|
| 8. Submitting False Claims                          | 30. Assignment                        |
| 10. Taxes   | 37. Drug-free Workplace Policy,       |
| 15. Insurance                                       | 53. Compliance with Laws              |
| 24. Proprietary or Confidential Information of City | 55. Supervision of Minors             |
|   | 57. Protection of Private Information |
|   | 58. Graffiti Removal                  |

B. Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

C. Contractor (a) is generally not paying its debts as they become due, (b) 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, (c) makes an assignment for the benefit of its creditors, (d) 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 (e) takes action for the purpose of any of the foregoing.

D. A court or government authority enters an order (a) 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, (b) constituting an order for relief or approving 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 or (c) ordering the dissolution, winding-up or liquidation of Contractor.

E. 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, 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 all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other 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.

## **21. Termination for Convenience**

A. 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. The notice shall specify the date on which termination shall become effective.

B. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Such actions shall include, without limitation:

(1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by City.

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.



(3) Terminating all existing orders and subcontracts.

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

(5) Subject to City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(6) Completing performance of any services or work that City designates to be completed prior to the date of termination specified by City.

(7) Taking such action as may be necessary, or as the 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.

C. Within 30 days after the specified termination date, Contractor shall submit to City an invoice, which shall set forth each of the following as a separate line item:

(1) The reasonable cost to Contractor, without profit, for all services and other work City directed Contractor to perform prior to the specified termination date, for which services or work City has not already tendered 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 or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of City, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the City or otherwise disposed of as directed by the City.

(4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of 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.

D. In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by City, except for those costs specifically enumerated and described in the immediately preceding subsection (C). Such non-recoverable costs include, but are not limited to, anticipated profits on 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 such subsection (C).

E. In arriving at the amount due to Contractor under this Section, City may deduct: (1) all payments previously made by City for work or other services covered by Contractor's final invoice; (2) any claim which City may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (D); and (4) in instances in which, in the opinion of the City, the cost of any service or other work performed under this

Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and City's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

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

**22. Rights and Duties upon Termination or Expiration.** This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement:

8. Submitting False Claims
9. Disallowance
10. Taxes
11. Payment Does Not Imply Acceptance of Work
13. Responsibility for Equipment
14. Independent Contractor; Payment of Taxes and Other Expenses
15. Insurance
16. Indemnification
17. Incidental and Consequential Damages
18. Liability of City
24. Proprietary or Confidential Information of City
26. Ownership of Results
27. Works for Hire
28. Audit and Inspection of Records
48. Modification of Agreement.
49. Administrative Remedy for Agreement Interpretation.
50. Agreement Made in California; Venue
51. Construction
52. Entire Agreement
56. Severability
57. Protection of private information

Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. 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. This subsection shall survive termination of this Agreement.

**23. Conflict of Interest.** Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

**24. Proprietary or Confidential Information of City.** Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be

held in confidence and used only in performance of 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 data.

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

To City: Tom Rodrigues  
Project Manager  
San Francisco International Airport  
Design & Construction  
P.O. Box 8097  
San Francisco, California 94128  
Email: [tom.rodriques@flysfo.com](mailto:tom.rodriques@flysfo.com)  
FAX: (650) 821-7799

To Contractor: Terry Brennan  
Construction Manager  
CAGE Inc.  
6303 Commerce Drive, Suite 150  
Irving, Texas 75063  
Email: [tbrennan@cage-inc.com](mailto:tbrennan@cage-inc.com)  
FAX: (972) 550-9221

Any notice of default must be sent by registered mail.

**26. Ownership of Results.** Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

**27. Works for Hire.** If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, 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 are the property of the City. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the City, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

**28. Audit and Inspection of Records.** Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from 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 conferred upon City by this Section.

**29. Subcontracting.** Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

**30. Assignment.** The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by City by written instrument executed and approved in the same manner as this Agreement.

**31. 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.

**32. Earned Income Credit (EIC) Forms.** Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

### **33. Federal Non-Discrimination Provisions**

**Contract Assurance:** The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 21 in the award and administration of federal assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the recipient deems appropriate. These regulations are incorporated as though fully set forth therein. The contractor agrees to include the above statement in any subsequent concession agreement or contract that it enters and cause those businesses to similarly include the statements in further agreements.

### **34. Nondiscrimination; Penalties**

A. **Contractor Shall Not Discriminate.** In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

B. **Subcontracts.** Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2 (a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

C. **Nondiscrimination in Benefits.** 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 the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

D. **Condition to Contract.** As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

E. **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

**35. MacBride Principles—Northern Ireland.** Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

**36. Tropical Hardwood and Virgin Redwood Ban.** Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

**37. Drug-Free Workplace Policy.** Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

**38. Resource Conservation.** Chapter 5 of the San Francisco Environment Code (“Resource Conservation”) is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

**39. Compliance with Americans with Disabilities Act.** 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 the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons 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.

**40. Sunshine Ordinance.** In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors’ bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization’s net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

**41. Public Access to Meetings and Records.** If the Contractor receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

**42. Limitations on Contributions.** Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City’s Campaign and Governmental Conduct Code, which prohibits any person who contracts with 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, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by

such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that 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 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

#### **43. Requiring Minimum Compensation for Covered Employees.**

A. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at [www.sfgov.org/olse/mco](http://www.sfgov.org/olse/mco). A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

B. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Contractor.

C. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

D. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

E. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

F. Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but

are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

G. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

H. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

I. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.

**44. Requiring Health Benefits for Covered Employees.** Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at [www.sfgov.org/olse](http://www.sfgov.org/olse). Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

A. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.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.

B. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3 (e) of the HCAO, it shall have no obligation to comply with part (A) above.

C. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5 (f) (1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

D. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters



into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

E. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

F. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

G. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

H. Contractor shall keep itself informed of the current requirements of the HCAO.

I. Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

J. Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

K. Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

L. City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

M. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

#### **45. First Source Hiring Program**

A. **Application of Administrative Code Provisions.** The provisions of Chapter 83 of the San Francisco Administrative Code apply to this Agreement. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

**B. First Source Hiring Agreement.** As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs maybe certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be non-duplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or

property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

C. **Hiring Decisions.** Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

D. **Exceptions.** Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

E. **Liquidated Damages.** Contractor agrees:

(1) To be liable to the City for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

(a) The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

(b) In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

F. **Subcontracts.** Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

**46. Prohibition on Political Activity with City Funds.** In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

**47. Preservative-treated Wood Containing Arsenic.** Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term

“saltwater immersion” shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

**48. Modification of 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. Contractor shall complete and submit an Airport Federal Contract Modification – Federal Form 4 with every Modification of the Agreement.

**49. Administrative Remedy for Agreement Interpretation.** Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

**50. 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.

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

**52. Entire Agreement.** This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48, “Modification of Agreement.”

**53. Compliance with Laws.** Contractor shall keep itself fully informed of the City’s Charter, codes, ordinances and regulations of the 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.

**54. Services Provided by Attorneys.** Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

**55. Supervision of Minors: Left Blank by Agreement of the Parties – Contract Does Not Involve Supervision of Minors.**

**56. 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 (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) 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.

**57. Protection of Private Information.** Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, “Nondisclosure of Private Information,” and 12M.3, “Enforcement” of Administrative Code Chapter 12M, “Protection of Private Information,” which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

**58. Graffiti Removal.** Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti. Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

**59. Food Service Waste Reduction Requirements.** Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

**60. Slavery Era Disclosure: Left Blank by Agreement of the Parties – Contract Not for Insurance or Applicable Financial Services or Textiles.**

**61. Cooperative Drafting.** This Agreement has been drafted through a cooperative effort of both parties, 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.

**62. Dispute Resolution Procedure: Left Blank by Agreement of the Parties – Contract Not with Health or Human Services Nonprofit.**

**63. Airport Intellectual Property**

Pursuant to 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. All proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport (including subcontractors and subtenants) may not use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Airport Director's prior consent.

**64. Labor Peace / Card Check Rule**

Without limiting the generality of other provisions herein requiring Contractor to comply with all Airport Rules, Contractor shall comply with the Airport's Labor Peace / Card Check Rule, adopted on February 1, 2000, pursuant to Airport Commission Resolution No. 00-0049 (the "Labor Peace / Card Check Rule"). Capitalized terms not defined in this provision are defined in the Labor Peace/Card Check Rule. To comply with the Labor Peace/Care Check Rule, Contractor shall, among other actions: (a) Enter into a Labor Peace/Care Check Rule Agreement with any Labor Organization which requests such an agreement and which has registered with the Airport Director or his / her designee, within thirty (30) days after Labor Peace/Care Check Rule Agreement has been requested; (b) Not less than thirty (30) days prior to the modification of this Agreement, Contractor shall provide notice by mail to any Labor Organization or federation of labor organizations which have registered with the Airport Director or his / her designee (registered labor organization"), that Contractor is seeking to modify or extend this Agreement; (c) Upon issuing any request for proposals, invitations to bid, or similar notice, or in any event not less than thirty (30) days prior to entering into any Subcontract, Contractor shall provide notice to all registered Labor Organizations that Contractor is seeking to enter into such Subcontract; and (d) Contractor shall include in any subcontract with a Subcontractor performing services pursuant to any covered Contract, a provision requiring the Subcontractor performing services pursuant to any covered Contract, a provision requiring the Subcontractor to comply with the requirements of the Labor Peace/Card Check Rule. If Airport Director determines that Contractor violated the Labor Peace/Card Check Rule, Airport Director shall have the option to terminate this Agreement, in addition to exercising all other remedies available to him / her.

**65. FEDERAL CONTRACT PROVISIONS**

**The following provisions included in subparts A-J below in this section 65 are clauses that shall be included without modification in this Agreement**

**A. PROMPT PAYMENT**

**Prompt Payment** - The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contractor receives from the City and County of San Francisco. The prime contractor agrees further to return retention payments to each subcontractor within 10 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the City and County of San Francisco.

## **B. CIVIL RIGHTS ACT OF 1964, TITLE VI – CONTRACTOR CONTRACTUAL REQUIREMENTS**

During the performance of this contract, the Contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor") agrees as follows:

**1. Compliance with Regulations.** The contractor shall comply with the Regulations relative to nondiscrimination in federally assisted Projects of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

**2. Nondiscrimination.** The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a Project set forth in Appendix B of the Regulations.

**3. Solicitations for Subcontracts, Including Procurements of Materials and Equipment.** In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

**4. Information and Reports.** The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the Airport or the Transportation Security Administration (TSA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the Airport or the TSA, as appropriate, and shall set forth what efforts it has made to obtain the information.

**5. Sanctions for Noncompliance.** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Airport shall impose such contract sanctions as it or the TSA may determine to be appropriate, including, but not limited to:

a. Withholding of payments to the contractor under the contract until the contractor complies, and/or

b. Cancellation, termination, or suspension of the contract, in whole or in part.

**6. Incorporation of Provisions.** The contractor shall include the provisions of paragraphs 1 through 5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Airport or the TSA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Airport to enter into such litigation to protect the



interests of the Airport and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

### **C. AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1982, SECTION 520 - GENERAL CIVIL RIGHTS PROVISIONS**

The contractor assures that it will comply with pertinent statutes, Executive orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates the tenant/concessionaire/lessee or its transferee for the period during which Federal assistance is extended to the airport a Project, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases the provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the Airport or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits or (b) the period during which the Airport or any transferee retains ownership or possession of the property. In the case of contractors, this provision binds the contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

### **D. LOBBYING AND INFLUENCING FEDERAL EMPLOYEES**

1. No Federal appropriated funds shall be paid, by or on behalf of the contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant and the amendment or modification of any Federal grant.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal grant, the contractor shall complete and submit Standard Form-LLL, "Disclosure of Lobby Activities," in accordance with its instructions.

### **E. ACCESS TO RECORDS AND REPORTS**

The Contractor shall maintain an acceptable cost accounting system. The Contractor agrees to provide the Airport, the TSA and the Comptroller General of the United States or any of their duly authorized representative's access to any books, documents, papers, and records of the contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

### **F. BREACH OF CONTRACT TERMS**

Any violation or breach of terms of this contract on the part of the contractor or their subcontractors may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement. The duties and obligations imposed by the Agreement and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

## **G. RIGHTS TO INVENTIONS**

All rights to inventions and materials generated under this contract are subject to regulations issued by the TSA and the Sponsor of the Federal grant under which this contract is executed.

## **H. TRADE RESTRICTION CLAUSE**

1. The contractor or subcontractor, by submission of an offer and/or execution of a contract, certifies that it:

a. Is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);

b. Has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country on said list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on said list;

c. Has not procured any product nor subcontracted for the supply of any product for use on the project that is produced in a foreign country on said list.

2. Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a contractor or subcontractor who is unable to certify to the above. If the contractor knowingly procures or subcontracts for the supply of any product or service of a foreign country on said list for use on the project, the TSA may direct through the Airport cancellation of the contract at no cost to the Government.

3. Further, the contractor agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in each contract and in all lower tier subcontracts. The contractor may rely on the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous.

4. The contractor shall provide immediate written notice to the Airport if the contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor agrees to provide written notice to the contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

a. This certification is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the contractor or subcontractor knowingly rendered an erroneous certification, the TSA may direct through the Airport cancellation of the contract or subcontract for default at no cost to the Government.

5. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

6. This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

## **I. TERMINATION OF CONTRACT**

1. The Airport may, by written notice, terminate this contract in whole or in part at any time, either for the Airport's convenience or because of failure to fulfill the contract obligations. Upon receipt of such notice services shall be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performing this contract, whether completed or in progress, delivered to the Airport.

2. If the termination is for the convenience of the Airport, an equitable adjustment in the contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed services.

3. If the termination is due to failure to fulfill the contractor's obligations, the Airport may take over the work and prosecute the same to completion by contract or otherwise. In such case, the contractor shall be liable to the Airport for any additional cost occasioned to the Airport thereby.

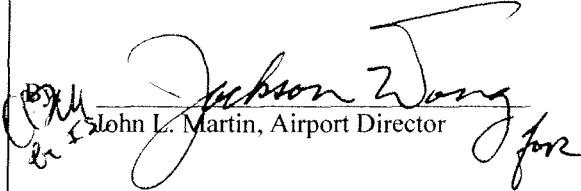
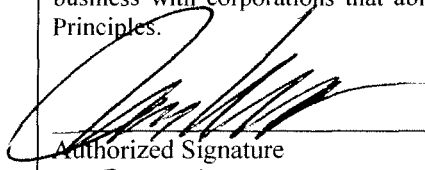

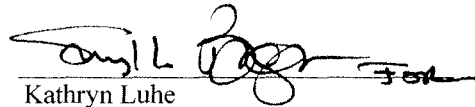
4. If, after notice of termination for failure to fulfill contract obligations, it is determined that the contractor had not so failed, the termination shall be deemed to have been effected for the convenience of the Airport. In such event, adjustment in the contract price shall be made as provided in paragraph 1.2 of this clause.

5. The rights and remedies of the Airport provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

## **J. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION**

The Proposer certifies, by submission of this proposal or acceptance of this contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by submitting this proposal that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the Proposer or any lower tier participant is unable to certify to this statement, it shall attach an explanation to this solicitation/proposal.

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

| CITY  | CONTRACTOR   |
|---|--|
| AIRPORT COMMISSION<br>CITY AND COUNTY OF<br>SAN FRANCISCO   | By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.  |
| <br>John L. Martin, Airport Director                   | I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles. |
| Attest:   | <br>Authorized Signature   |
| By <br>Jean Caramatti, Secretary<br>Airport Commission | John Boodie<br>Printed Name  |
| Resolution No: 11-0146  | PRESIDENT<br>Title   |
| Adopted on: June 30, 2011   | CAGE Professional Services, Inc.<br>Company Name   |
| Approved as to Form:  | 81238<br>City Vendor Number  |
| Dennis J. Herrera<br>City Attorney  | 6303 Commerce Drive, Suite 150<br>Address  |
| By <br>Kathryn Luhe<br>Deputy City Attorney          | Irving, Texas 75063<br>City, State, ZIP  |
|   | (972) 550-1001<br>Telephone Number   |
|   | 75-2722503<br>Federal Employer ID Number   |

**Appendices**

- A: Services to be provided by Contractor
- B: Calculation of Charges

- B.1: Provisional Cost Rate Agreement
- C.1: Approved Task 1 cost proposal and rates
- C.2: Approved staffing plan
- C.3: SFO 9024.9 FAR Rate Schedule
- D: Other Transaction Agreement (OTA)



## Appendix A Services to be provided by Contractor

### 1. INTRODUCTION

#### **PROJECT DESCRIPTION:**

The following is a general project description for the International Terminal and Terminal 3, Boarding Area F Checked Baggage Inspection System Modernization and International Terminal Baggage Handling System Improvements Project (Project), Task One. The Airport reserves the right to amend this description and intends to amend the Scope of Services for the Project to include Tasks Two and Three when and if funds are appropriated for those tasks.

**A. International Terminal Checked Baggage Inspection System (CBIS) Modernization.** The International Terminal common use terminal systems are shared by twenty six airlines and operated and maintained by an airline consortium contractor (SFOTEC), including the Baggage Handling System (BHS). Two existing checked baggage inspection system (CBIS) areas are not in compliance with the Transportation Security Administration's (TSA) current Planning Design Guidelines (PGDS), and the TSA screening equipment is at the end of its useful life. The CBIS improvements will include: new TSA screening equipment with higher throughput; new servers, new network and programmable logic controls (PLC); new distributed input/output (I/O) controls; new Human Machine Interface (HMI); new and reconfigured baggage conveyor equipment; and new and relocated Checked Bag Reconciliation Areas (CBRA's). The two CBRA's will be moved from the ground floor up to two existing structural mezzanines, and will be enclosed in new air conditioned rooms with vertical transportation.

**B. Terminal 3 Boarding Area F CBIS Modernization.** The Terminal 3 Boarding Area F BHS is operated and maintained by United Airlines (UA). UA has the largest operation at the Airport, with approximately 45% of all passengers. The existing CBIS area is not in compliance with the TSA's PGDS, and the TSA screening equipment is at the end of its useful life. The CBIS improvements will include: new TSA screening equipment with higher throughput; new servers, new network and PLC; new I/O controls; new HMI; new and reconfigured baggage conveyor equipment; and a new and relocated CBRA. The CBRA will be moved to a temporary building to be constructed on the airfield to allow for phasing. The permanent CBRA will be enclosed in a new air conditioned room within the existing Boarding Area F.

#### **C. International Terminal BHS Improvements.**

The common use International Terminal BHS includes twelve ticket islands, twenty four outbound makeup devices, and oversize and transfer bag systems. The common use inbound BHS

includes twelve drop off and claim carousels. The common use terminal management system, baggage sortation system and airline tag readers were recently replaced. The Airport will consider adding RFID technology. Other portions of the BHS are obsolete and at the end of its useful life. The International Terminal BHS improvements will include: new servers, new network and PLC; new HMI; new I/O controls; new high speed/capacity diverters to replace pushers; variable frequency drives and other energy-saving equipment.

#### **D. General**

- 1) The Airport and the TSA have entered into an Other Transaction Agreement No. HSTS04-11-H-CT1149 (OTA), executed on March 23, 2011, to define roles and responsibilities and develop a budget and funding plan for the development of CBIS design documents and construction management design support services. Thereafter, these design documents will serve as bridging documents for the design-build portion of the International Terminal and Terminal 3, Boarding Area F CBIS modernization work. The executed OTA will become part of the Contractor's agreement (Appendix D) and the Contractor will be responsible for the management, reporting, implementation, and ensuring Airport compliance with the terms and conditions of the OTA. The TSA is committed to funding 90% of the costs for the International Terminal and Terminal 3, Boarding Area F CBIS modernization design bridging documents.
- 2) Following its completion and approval of the CBIS design bridging documentation, the TSA and Airport intend to enter into an additional OTA which will fund design-build services and the remaining construction management services. This subsequent OTA will define roles and responsibilities for the final design, construction and TSA's commissioning and acceptance of the Project

#### **2. CONSTRUCTION MANAGEMENT SCOPE DESCRIPTION:**

##### **Task 1 – Contractor Services for International Terminal and Terminal 3, Boarding Area F CBIS Modernization and International Terminal BHS Improvements Design.**

The Contractor will provide the following services for Task 1:

- A. Provide 30% and 70% design submittal technical reviews for constructability, functionality, value engineering, building code and PGDS compliance for the International Terminal and Terminal 3, Boarding Area F CBIS Modernization, including baggage handling systems, architectural, structural, vertical transportation, mechanical, electrical, fire protection and special systems.
- B. Provide 30% and 70% design submittal technical reviews for constructability, functionality, value engineering and building code compliance for the International Terminal BHS Improvements, including baggage handling systems, structural, mechanical, electrical, fire protection and special systems.
- C. Track and document all design review comments by the TSA, Airport, airlines and other stakeholders.
- D. Review and validate the Airport design consultant's cost estimates with current industry pricing.

- E. Provide scheduling analysis for the design, design-build contractor selection, and procurement, installation and certification process. Scheduling analysis will emphasize construction phasing in an operational environment.
- F. Provide monthly status, cost and schedule reports in accordance with TSA and Airport guidelines.
- G. Prepare invoice summaries, with a separate accounting system for all costs that are eligible for reimbursement by the TSA under the OTA. Assist the Airport in preparing invoices to the TSA.
- H. Provide technical assistance to the Airport in the preparation of a Request for Proposal (RFP) for the design-build contractor.
- I. Initiate meetings and communication with all stakeholders to achieve a collaborative process.
- J. Provide timely meeting reports and an issues/action log, with responsible party and due dates.
- K. Provide administrative support to the Airport Project Manager (PM). Initiate communication with the PM first as a pre-requisite to discussions with other Airport, airline and TSA management.

### **3. REPORTS**

Contractor shall submit written reports as requested by the Design & Construction. Format for the content of such reports shall be determined by the Design & Construction. The timely submission of all reports is a necessary and material term and condition of this Agreement. The reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

### **4. DEPARTMENT LIAISON**

In performing the services provided for in this Agreement, Contractor's liaison with the Design & Construction will be Tom Rodrigues.





## **Appendix B Calculation of Charges**

This is Appendix B attached to, and incorporated by reference in the Agreement made on **June 30, 2011** between the City and County of San Francisco, acting by and through its Airport Commission (Commission), and **CAGE Professional Services Inc.** (Contractor) providing for construction management services for the International Terminal and Terminal 3, Boarding Area F Checked Baggage Inspection System Modernization and International Terminal Baggage Handling System Improvements Project, Task One

### **A. General**

1. For the compensation for complete and satisfactory performance of the **Task 1** services detailed in Section 2.A of Appendix A of this Agreement are set forth in paragraph 5.A. "Compensation" of the Agreement.
2. No charges shall be incurred under this Agreement nor shall any payments become due to the Contractor until reports, services, or both required under this Agreement are received from the Contractor and approved by the Commission as being in accordance with this Agreement. In no event shall the Commission be liable for interest or late charges for any late payments.
3. Compensation for work performed under this Agreement will be on a cost-plus-fee payment basis. Such compensation shall be allowable only to the extent that costs incurred, or otherwise established prices, are consistent with the Federal Cost Principles (Title 48, Code of Federal Regulations, Part 31).

### **B. Method of Payment**

1. Unless approved otherwise by the Commission, the Contractor's services shall be invoiced on a monthly basis and payment will be made within thirty (30) days of receipt of an acceptable invoice with satisfactory backup documentation, approved by the Project Manager. As used herein, the term "invoice" shall include the Contractor's bill or written request for payment under this Agreement for services performed. All invoices shall be made in writing.
2. Unless approved otherwise by the Commission's Project Manager, the Contractor shall, within three (3) days after receipt of payment by the Airport specified in this Agreement pay to all of its immediate subcontractors (or their respective assignees) the amounts to which they are entitled, after deducting any prior payments and any amounts due and payable to the Contractor by those subcontractors.

3. The Contractor shall invoice for the Work performed in conformance with procedures approved by the Commission.
  - a. Such invoices shall segregate current costs from previously invoiced costs.
  - b. Costs for individual labor shall be segregated by task and subtasks, if any.
  - c. Notwithstanding the above, in no case shall the Contractor invoice include costs which Airport has disallowed or otherwise indicated that it will not recognize.
4. Such invoices shall be as a minimum, (i) mechanically accurate, (ii) substantially vouchered and properly supported and (iii) in compliance with generally accepted accounting principles
5. The Contractor shall also certify, for each invoice, that (i) the hourly rates for direct labor, whether for Contractor or its subcontractor(s), to be reimbursed under this Agreement are not in excess of the actual hourly rates in effect for the Contractor or subcontractor employees engaged in the performance of services under this Agreement at that time, and (ii) that such hourly rates are in conformance with the Agreement.
6. The fee for the Contractor or any of its subcontractors shall be billed monthly on all direct labor and indirect costs for services provided in the current invoice at the percentage described in paragraph E below.
7. The Commission's Project Manager reserves the right to withhold payment(s) otherwise due the Contractor in the event of the Contractor's material non-compliance with any of the provisions of this Agreement, including, but not limited to, the requirements imposed upon the Contractor in Article 15, Insurance, and Article 16, Indemnification. The Airport shall provide notice of withholding, and may continue the withholding until the Contractor has provided evidence of compliance which is acceptable to the Airport.
8. All invoices shall be made in writing and delivered or mailed to the Airport as follows:

By US mail:                    **Tom Rodrigues**, Project Manager  
San Francisco International Airport  
Design and Construction (Contract 9024.9)  
P.O. Box 8097  
San Francisco, CA 94128

By Personal Delivery  
or Express Mail:            **Tom Rodrigues**, Project Manager  
San Francisco International Airport  
Delta/Singapore Building  
Design and Construction (Contract 9024.9)  
710 N. McDonnell Road, 2<sup>nd</sup> Floor  
San Francisco, CA 94128

### **C. Direct Salary Rate and Direct Salary Rate Adjustment**

1. The direct labor rate shall not exceed **Ninety-three Dollars (\$93)** per hour. Any rate in excess of this cap will require prior written approval from the Commission's Project Manager.
2. 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. Signed time cards shall be provided showing all assigned projects and the shared calculation.
3. The billing rates agreed upon (Appendix C.3, SFO 9024.9 FAR Rates of this Agreement) at the effective date of this Agreement shall remain effective until June 30, 2012.

#### **D. Billing Rates**

1. Subject to Appendix B.1, Provisional Indirect Cost Rate Agreement of this Agreement, billing rates and overhead rates shall be used for reimbursement of the cost portion of this cost plus fee Agreement as stipulated in Appendix C.3, SFO 9024.9 FAR Rates of this Agreement. Billing rates shall be the sum of direct salary rates plus indirect cost as stipulated in Appendix B.1. Billing rates may be adjusted on July 1<sup>st</sup> of each year when the direct labor rates are adjusted as stated in section C.3 above.
2. Whenever possible, billing rates shall be established for home office work using a home office indirect cost rate and field office work using a field office indirect cost rate. The home office indirect cost rate shall be used when staff works in an office provided by the Contractor. The field office indirect cost rate shall be used when staff is assigned full time to an office provided by the Commission. To qualify for the field office indirect cost rate the Commission shall also provide normal office equipment and materials for field office staff such as computers, printers, internet access, phone service, fax, copier, and other office materials such as paper, clips, pens, and pencils.

#### **E. Fee**

The Fee for Contractor's work effort, including any subcontractor work at any tier, shall be ten percent (10%) of estimated direct labor and indirect costs of the Contractor and any subcontractors at any tier. There shall be no additional fixed fee markup on the work of first and lower tier subcontractors.

#### **F. Other Direct Cost**

1. All travel expenses and cost for vehicle rentals, contractor meals, and per diem into or outside the San Francisco Bay Area shall be subject to prior written approval by SFO. No administration charge may be added to the amount to be reimbursed as other direct costs. No reimbursement shall be provided for faxing documents. No mileage reimbursement shall be provided for automobile trips within the San Francisco Bay Area (less than fifty (50) miles from SFO). No reimbursement shall be provided for contractor meals, accommodations, long distance, and cellular telephone charges within the San Francisco Bay Area (less than fifty (50) miles from SFO). Specialists, Project Executives, and others that are based out of town, who are not assigned to the jobsite office, must have prior written approval by SFO in order to be reimbursed for salary costs and travel expenses. Regional (remote) executive's travel expenses to visit the

local job office are not reimbursable. Part-time jobsite personnel who are shared with other out-of-town clients are not reimbursed for travel expenses.

2. Any ODC expenses in excess of \$500 shall be pre-approved by the Project Manager.
- G.** The approved staffing plan and hourly rate schedule is detailed in Appendix C.1, C.2 and C.3 of this agreement.

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**Appendix B.1, Compensation and Payment**

FORM OF  
PROVISIONAL INDIRECT COST RATE AGREEMENT

This is an Appendix attached to, and incorporated by reference in the Agreement made on **June 30, 2011** between the City and County of San Francisco, acting by and through its Airport Commission (Commission), and **CAGE Professional Services Inc.** (Contractor) providing for construction management services for the International Terminal and Terminal 3, Boarding Area F Checked Baggage Inspection System Modernization and International Terminal Baggage Handling System Improvements Project. Pursuant to Agreement No. 9024.9 between the parties, the Cost Principles contained in FAR, and practices required by the applicable Cost Accounting Standards in FAR, **CAGE Professional Services Inc.** (hereinafter referred to as "CONTRACTOR") and the CITY AND COUNTY OF SAN FRANCISCO, AIRPORT COMMISSION (hereinafter referred to as "City") agree as follows:

I. DEFINITIONS

A. Indirect Cost: Indirect costs shall consist of three indirect cost pools:

- 1) Overhead on direct labor, such as taxes or payments on direct labor charges required by law under Federal and State Social Security Acts, or by any other Federal, State or local law; and
- 2) Fringe benefits on direct labor, such as vacation, holiday and severance pay, and sick leave; bona fide pension, retirement, group health, accident and life insurance plans in operation as an established policy of the firm; and
- 3) General Administrative expenses.

B. Provisional Indirect Cost Rate: A temporary indirect cost rate which has been established for the purpose of reimbursement of indirect costs pending the completion of a formal audit. This rate shall be established through the provision of Contractor's and certain subcontractors' provision of historical and current financial information to the Contract Manager.

C. Audited Indirect Cost Rate: An indirect cost rate which is established by a cognizant United States Government Audit Agency or by an independent third party entity which shall be pre-approved by the City. The Audited Indirect Cost Rate shall be utilized to determine the Final Indirect Cost Rate and also to establish the Provisional Indirect Cost Rate for the current fiscal year of Agreement performance.

D. Final Indirect Cost Rate: An indirect cost rate which becomes the basis for determining the final basis for the application of indirect costs against direct labor costs.

II. PROVISIONAL INDIRECT COST RATES

This Agreement will employ a temporary provisional indirect cost rate which has been established for award of the Agreement and reimbursement of indirect cost pending the establishment of a final indirect cost rate for the period of time when the services were performed. The provisional indirect cost rates set forth in this Agreement are applicable to all services in the Services to be provided by Contractor identified in Appendix

A or in Modifications issued by the City, pending the determination of the final indirect cost rates for Contractor or certain subcontractors.

- A. Subcontractors at any tier with estimated total billings exceeding \$100,000 shall enter into a provisional indirect cost rate agreement with the Contractor. The provisional indirect cost rates for subcontractor indirect costs shall be as set forth below for the Services to be provided by Contractor or in any Change Order.
- B. The provisional indirect cost rate to be applied to Contractor's and subcontractor's direct labor as set forth in Contractor's and subcontractors' submissions shall be:

| <b>TABLE 1</b>                   |                           |
|----------------------------------|---------------------------|
| FIRM                             | PROVISIONAL OVERHEAD RATE |
| CAGE Professional Services, Inc. | 129.11%                   |
| KPA Group                        | 179.01%                   |
| Chaves & Assoc                   | 112.20%                   |
| EPC Consultants                  | 109.91%                   |
| M Lee Corp                       | 131.96%                   |
| Apex Testing                     | 76.44%                    |
|                                  |                           |
|                                  |                           |
|                                  |                           |

- C. The provisional indirect cost rate shall be applicable until the final indirect cost rate for the audited period is established. If negotiations are not conducted for the second or subsequent twelve (12) month periods within ninety (90) days after completion of the previous period, the provisional indirect cost shall be utilized for the subsequent period(s) until an actual indirect cost rate is mutually agreed upon between the Contractor and the City.
- D. The provisional indirect cost rates set forth in Table 1 shall be used for all new work performed under the Agreement or Modifications until such time that the final indirect cost rate for that new work is established.
- E. There shall be no indirect cost rate or general administrative expense (G&A) mark-up applied to materials, other direct costs (ODC's), nor for Facilities Capital Cost of Money for either the Contractor or any of its subcontractors at any tier.

III. AUDITED INDIRECT COST RATE

- A. Within one hundred eighty (180) days of either (a) the end of Contractor's and subcontractors' fiscal year or (b) the expiration or any earlier termination of this Agreement, Contractor shall submit to the Project Manager the Contractor's and certain subcontractors' audited indirect cost rates for the period(s) of time for which a final indirect cost rate has not yet been established. In the event Contractor or subcontractor does not have audited indirect cost rates determined by a cognizant United States Government Audit Agency, then such rates will be established by an independent, third party audit entity, subject to approval by the City.

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- B. The audited indirect cost rate shall be used for both (a) developing the basis for the negotiation of the provisional indirect cost rate for those periods of time for which a final indirect cost rate has not yet been established, and (b) developing the final indirect cost rate.

III. FINAL INDIRECT COST RATE

- A. For Contractor and subcontractors (at any tier), the audited indirect cost rate shall be utilized to establish the final indirect cost rate for the billings of the previous fiscal year. This process shall be repeated for each subsequent fiscal year.
- B. For Contractor and subcontractors (at any tier), the audited indirect cost rate shall be utilized to negotiate the provisional indirect cost rate for the billings for the current fiscal year.
- C. Any compensation under this Agreement made prior to the determination of the final indirect cost rates will be recalculated if the provisional indirect cost rates differ from the final indirect cost rates, unless the City and Contractor or subcontractor mutually agree that recalculation will not be required, in which case the provisional indirect cost rates will be considered as the final indirect cost rates.
- D. The indirect cost rates identified above, including any adjustment to such indirect cost rates as provided for above or in Appendix B.1, *Compensation and Payment*, are subject to reimbursements as defined below:
1. Overpayment by City: For each final indirect cost rate of Contractor's or any subcontractor that is less than the provisional indirect cost rate paid to Contractor, the City shall withhold the overpaid amounts from subsequent payments to the Contractor if those payments are sufficient to cover the overpaid amount. In the event subsequent payments owed to the Contractor are less than the amount overpaid, Contractor shall reimburse to the City any overpayments made by applying the difference between the provisional indirect cost rate and the final indirect cost rate to the compensated direct labor costs. Contractor shall reimburse City within thirty (30) days of written notice from City seeking reimbursement.
  2. Underpayment by City: For each final indirect cost rate of Contractor or subcontractor that exceeds the provisional indirect cost rate paid to Contractor, City shall pay to Contractor the difference between the final indirect cost rate and the provisional indirect cost rate paid for the periods not previously adjusted during the term of the Agreement; City shall reimburse Contractor within sixty (60) days of City's receipt of all of Contractor's actual rates.
  3. Nothing in this paragraph shall limit City's right to audit and inspect Contractor's or subcontractors' rates under Section 28 of the Agreement.
- E. Contractor or subcontractor agrees to accept payment of the final indirect cost rates as its total compensation for all indirect costs for performing all services.

IV. OTHER

IV. OTHER

- A. Nothing herein shall be construed to prejudice, waive, or in any other way affect any rights of the City under the provisions of Agreement No. 9024.9, nor respecting limitation of the City's obligations thereunder.
- B. Contractor may bill for direct cost incurred in managing subcontractor effort provided the labor cost are included in the direct labor base. The Airport will re-evaluate the 3% limitation on overhead increase on Contractor only, if and only if historical data support a re-evaluation. Contractor agrees to provide actual cost data on a recurring quarterly basis.
- C. Contractor and subcontractor may not bill for fee until negotiated and agreed upon. Determination of fee shall strictly comply with FAR Part 15-4.





**TASK-1 -- Planning / Programming and Design**

| Position                               | CAGE Inc    |                   |                   | KPA Group + Subs |                  |                  | EPC Consultants |                  |                  | CHAVES & Assoc |                  |                  | M Lee Corporation |                  |                  | APEX Testing Labs |             |               |
|--|-------------|-------------------|-------------------|------------------|------------------|------------------|-----------------|------------------|------------------|----------------|------------------|------------------|-------------------|------------------|------------------|-------------------|-------------|---------------|
|  | Hours       | Rate              | Extended Cost     | Hours            | Rate             | Extended Cost    | Hours           | Rate             | Extended Cost    | Hours          | Rate             | Extended Cost    | Hours             | Rate             | Extended Cost    | Hours             | Rate        | Extended Cost |
| Principal                              | 0           | \$ 225            | \$ -              | 54               | \$ 205           | \$ 11,070        |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| Associate                              |             |                   |                   | 124              | \$ 173           | \$ 21,452        |                 |                  |                  | 120            | \$ 181           | \$ 21,720        |                   |                  |                  |                   |             |               |
| Construction Manager PH 1              | 805         | \$ 138            | \$ 111,090        |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| Construction Manager PH 2              | 100         | \$ 160            | \$ 16,000         |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| Cost Estimator                         |             |                   |                   |                  |                  |                  |                 |                  |                  |                |                  |                  | 92                | \$ 176           | \$ 16,192        |                   |             |               |
| Project Controls Manager               |             |                   |                   |                  |                  |                  | 368             | \$ 166           | \$ 61,088        |                |                  |                  |                   |                  |                  |                   |             |               |
| Senior Project Manager                 | 100         | \$ 128            | \$ 12,800         |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| Project Coordinator                    |             | \$ 140            |                   |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| Senior Software Specialist             | 190         | \$ 138            | \$ 26,220         |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| Senior Controls Engineer               | 220         | \$ 125            | \$ 27,500         |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| Senior Mechanical Engineer             | 300         | \$ 123            | \$ 36,900         | 54               | \$ 165           | \$ 8,910         |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| Senior Engineer / Architect            |             |                   |                   | 80               | \$ 195           | \$ 15,600        |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| Engineer / Architect                   |             | \$ 105            |                   | 54               | \$ 150           | \$ 8,100         |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| Document Controller                    |             |                   |                   |                  |                  |                  |                 |                  |                  | 361            | \$ 117           | \$ 42,237        |                   |                  |                  |                   |             |               |
| Technical Writer                       | 96          | \$ 96             | \$ 9,216          |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| PM Field Operations                    | 192         | \$ 132            | \$ 25,344         |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| Site Manager/ Commissioning Specialist | 384         | \$ 102            | \$ 39,168         |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| Testing/Check-out Specialist           |             | \$ 94             |                   |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| Project Analyst                        | 40          | \$ 81             | \$ 3,240          |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| QA/QC                                  | 80          | \$ 76             | \$ 6,080          |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| First Source Hiring                    |             | \$ 25             |                   |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| Office Engineer                        |             |                   |                   |                  |                  |                  | 336             | \$ 81            | \$ 27,216        |                |                  |                  |                   |                  |                  |                   |             |               |
| CADD                                   |             |                   |                   |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| <b>SUBTOTALS</b>                       | <b>2507</b> |                   | <b>\$ 313,558</b> | <b>366</b>       |                  | <b>\$ 65,132</b> | <b>704</b>      |                  | <b>\$ 88,304</b> | <b>481</b>     |                  | <b>\$ 63,957</b> | <b>92</b>         |                  | <b>\$ 16,192</b> | <b>0</b>          |             | <b>\$ -</b>   |
| Reimbursable Expenses                  |             | \$ 19,331         |                   |                  | \$ -             |                  |                 | \$ -             |                  |                | \$ -             |                  |                   | \$ -             |                  |                   | \$ -        |               |
| <b>SUBTOTAL</b>                        |             | <b>\$ 332,889</b> |                   |                  | <b>\$ 65,132</b> |                  |                 | <b>\$ 88,304</b> |                  |                | <b>\$ 63,957</b> |                  |                   | <b>\$ 16,192</b> |                  |                   | <b>\$ -</b> |               |
| <b>Grand Total Labor</b>               |             | <b>\$ 566,474</b> |                   |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| <b>Grand Total Expenses</b>            |             | <b>\$ 19,331</b>  |                   |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| <b>PROJECT TOTAL TASK 1</b>            |             | <b>\$ 585,805</b> |                   |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| SFO First Source Hiring                |             | \$ -              |                   |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |
| <b>GRAND TOTAL</b>                     |             | <b>\$ 585,805</b> |                   |                  |                  |                  |                 |                  |                  |                |                  |                  |                   |                  |                  |                   |             |               |

Rev 1 June 2, 2011

### Management Staffing Plan --- Estimated Monthly Man-Loading Projections

| Position  | Grand Total  | 2011        |              |             |        |        |        |            |        |        |        |        |        | 2012       |        |        |        |        |        |        |        |        |        |        |        | Dwr-13 | TASK   |        |        |      |      |     |      |     |  |
|---|--------------|-------------|--------------|-------------|--------|--------|--------|------------|--------|--------|--------|--------|--------|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------|------|-----|------|-----|--|
|   |              | Task 1      |              |             |        |        |        | Task 2 & 3 |        |        |        |        |        | Task 2 & 3 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
|   |              | 1           | 2            | 3           | 4      | 5      | 6      | 7          | 8      | 9      | 10     | 11     | 12     | 1          | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11     | 12     |        |        |        |        |      |      |     |      |     |  |
| Jun-11  | Jul-11       | Aug-11      | Sep-11       | Oct-11      | Nov-11 | Dec-11 | Jan-12 | Feb-12     | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 | Aug-12     | Sep-12 | Oct-12 | Nov-12 | Dec-12 | Jan-13 | Feb-13 | Mar-13 | Apr-13 | May-13 | Jun-13 | Jul-13 | Aug-13 | Sep-13 | Oct-13 | Nov-13 |      |      |     |      |     |  |
| Principal   | 0            |             |              |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Construction Manager PH1                                | 1177         | 80          | 261          | 131         |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Construction Manager PH2                                | 904          | 100         | 215          | 108         |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Senior Project Manager                                  | 100          | 100         | 100          |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Senior Software Specialist                              | 190          | 190         |              |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Senior Software Specialist                              | 672          | 0           | 672          |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Senior Software Specialist                              | 280          | 0           | 280          |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Senior Controls Engineer                                | 220          | 220         |              |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Senior Controls Engineer                                | 712          | 0           | 712          |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Senior Controls Engineer                                | 280          | 0           | 280          |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Senior Mechanical Engineer                              | 100          | 100         |              |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Senior Mechanical Engineer                              | 710          | 0           | 710          |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Senior Mechanical Engineer                              | 240          | 0           | 240          |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Technical Writer  | 96           | 96          |              |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| PLM Field Operations                                    | 416          | 702         | 146          | 76          |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Site Manager / Commissioning Specialist / TS Task 2 & 3 | 3925         | 102         | 1493         | 1188        |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Testing/Check-out Specialist                            | 960          | 0           | 960          |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Site Coordinator  | 3703         | 0           | 3869         | 1234        |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Site Manager / Commissioning Specialist / TS Task 2     | 3476         | 102         | 1194         |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Testing/Check-out Specialist                            | 0            | 0           | 0            |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Testing/Check-out Specialist                            | 0            | 0           | 0            |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Project Analyst   | 252          | 40          | 128          | 44          |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| QA/QC Manager   | 664          | 80          | 250          | 124         |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| <b>CAGE TOTALS</b>                                      | <b>22193</b> | <b>270</b>  | <b>18718</b> | <b>4110</b> | 0      | 169    | 753    | 121        | 121    | 693    | 133    | 579    | 703    | 571        | 940    | 654    | 598    | 684    | 1008   | 684    | 1008   | 1064   | 908    | 974    | 949    | 1045   | 980    | 1085   | 980    | 843  | 808  | 684 | 808  | 984 |  |
| <b>KPA Architects - Subs</b>                            |              |             |              |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Principal   | 142          | 14          | 100          | 20          | 18     |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Project Architect                                       | 81           | 14          | 19           | 0           | 18     |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Senior Engineer   | 136          | 80          | 37           | 19          | 20     |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Project Engineer  | 102          | 78          | 37           | 16          | 18     |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Homework/consultant                                     | 128          | 68          | 33           | 31          | 16     |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| EW&A/subconsultant                                      | 148          | 60          | 60           | 28          | 28     |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| 797   | 608          | 748         | 172          | 111         |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| <b>EPIC Consulting</b>                                  |              |             |              |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Project Controls Manager                                | 2040         | 88          | 878          | 697         |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Office Engineer   | 2104         | 78          | 1176         | 989         |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| 4144  | 166          | 2054        | 1686         | 0           | 128    | 146    | 136    | 152        | 152    | 152    | 152    | 184    | 144    | 164        | 136    | 136    | 136    | 128    | 128    | 128    | 328    | 144    | 144    | 144    | 144    | 144    | 144    | 144    | 144    | 160  | 160  | 152 | 160  |     |  |
| <b>AI Law Corporation</b>                               |              |             |              |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Cost Estimator  | 227          | 37          | 77           |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| 227   | 37           | 77          |              |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| <b>CHAVES &amp; Assoc</b>                               |              |             |              |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Associate   | 126          | 126         |              |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Document Controller                                     | 1151         | 91          | 340          | 170         |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| 1451  | 98           | 340         | 170          | 201         | 89     | 80     | 80     | 80         | 80     | 80     | 80     | 80     | 80     | 80         | 80     | 80     | 80     | 80     | 80     | 80     | 80     | 80     | 80     | 80     | 80     | 80     | 80     | 80     | 80     | 80   | 80   | 80  | 80   |     |  |
| <b>APEX Testing Labs</b>                                |              |             |              |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Principal Engineer                                      | 120          | 120         |              |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| Technician  | 240          | 240         |              |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| 360   | 360          |             |              |             |        |        |        |            |        |        |        |        |        |            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |      |      |     |      |     |  |
| <b>Grand Totals</b>                                     | <b>29312</b> | <b>4190</b> | <b>18959</b> | <b>6367</b> | 116    | 717    | 1181   | 497        | 559    | 910    | 645    | 271    | 1092   | 763        | 1124   | 808    | 1022   | 860    | 1188   | 800    | 1085   | 1190   | 1094   | 1100   | 1182   | 1204   | 1182   | 1179   | 1182   | 1129 | 1008 | 970 | 1094 | 808 |  |

SFO CM Services - RFP# 9024.9

| LEGEND |            |
|--------|------------|
|        | Task 1     |
|        | Task 2 & 3 |
|        | Task 2     |
|        | Task 3     |



| <b>HOURLY BILLING RATES</b>               |             |                  |                               |                            |                       |                         |
|---|-------------|------------------|-------------------------------|----------------------------|-----------------------|-------------------------|
| FAR Overhead Rate                         | 129.11%     | 179.01%          | 112.20%                       | 109.91%                    | 131.96%               | 76.44%                  |
| <b>Position</b>                           | <b>CAGE</b> | <b>KPA Group</b> | <b>CHAVES<br/>&amp; Assoc</b> | <b>EPC<br/>Consultants</b> | <b>M Lee<br/>Corp</b> | <b>APEX<br/>Testing</b> |
| Principal                                 | \$ 225      | \$ 221           |                               |                            |                       | \$ 125                  |
| Associate                                 |             | \$ 150           | \$ 181                        |                            |                       |                         |
| Construction Manager PH 1                 | \$ 138      |                  |                               |                            |                       |                         |
| Construction Manager PH 2                 | \$ 160      |                  |                               |                            |                       |                         |
| Lead/Chief Estimator                      |             |                  |                               |                            | \$ 193                |                         |
| Senior Estimator                          |             |                  |                               |                            | \$ 167                |                         |
| Estimator                                 |             |                  |                               |                            | \$ 144                |                         |
| Project Controls Manager                  |             |                  |                               | \$ 169                     |                       |                         |
| Senior Project Manager                    | \$ 128      | \$ 175           |                               |                            |                       |                         |
| Project Coordinator                       | \$ 140      |                  |                               |                            |                       |                         |
| Senior Software Specialist                | \$ 138      |                  |                               |                            |                       |                         |
| Senior Controls Engineer                  | \$ 125      |                  |                               |                            |                       |                         |
| Senior Mechanical Engineer                | \$ 123      |                  |                               |                            |                       |                         |
| Senior Engineer / Architect               |             | \$ 120           |                               |                            |                       |                         |
| Engineer / Architect / Designer           | \$ 107      | \$ 100           |                               |                            |                       | \$ 85                   |
| Document Controller                       |             |                  | \$ 117                        |                            |                       |                         |
| Technical Writer                          | \$ 96       |                  |                               |                            |                       |                         |
| PM Field Operations                       | \$ 132      |                  |                               |                            |                       |                         |
| Commissioning Manager                     | \$ 125      |                  |                               |                            |                       |                         |
| Site Manager/ Commissioning<br>Specialist | \$ 102      |                  |                               |                            |                       |                         |
| Testing/Check-out Specialist              | \$ 94       |                  |                               |                            |                       |                         |
| Project Analyst                           | \$ 81       |                  |                               |                            |                       |                         |
| QA/QC                                     | \$ 76       |                  |                               |                            |                       |                         |
| First Source Hiring                       | \$ 25       |                  |                               |                            |                       |                         |
| Office Engineer                           |             |                  |                               | \$ 83                      |                       |                         |
| CADD                                      |             | \$ 90            |                               |                            |                       |                         |

Construction Management Services For The International Terminal and Terminal 3 Boarding Area F CBIS  
 Modernization and International Terminal BHS Improvements

Project RFP No. 9024.9



**OTHER TRANSACTION AGREEMENT**

**BETWEEN**

**DEPARTMENT OF HOMELAND SECURITY  
TRANSPORTATION SECURITY ADMINISTRATION**

**AND**

**THE CITY AND COUNTY OF SAN FRANCISCO  
RELATING TO**

**SAN FRANCISCO INTERNATIONAL AIRPORT  
Checked Baggage Screening Design Services Project**

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**Negotiated by the TSA pursuant to  
Aviation and Transportation Security Act, Pub. L. 107-71, 115 Stat. 597  
49 U.S.C. §114(m)(1) and 106(l)(6)**

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HSTS04-11-H-CT1149

## **ARTICLE I – PARTIES**

The parties to this Other Transaction Agreement (OTA or Agreement) are the U.S. Department of Homeland Security Transportation Security Administration (TSA) and the City and County of San Francisco Commission (CITY) as owner and operator of the San Francisco International (SFO Airport). The TSA and the CITY agree to cooperate in good faith and to perform their respective obligations in executing the purpose of this Agreement.

## **ARTICLE II – LEGAL AUTHORITY**

This Agreement is entered into under the authority of the Aviation and Transportation Security Act, Pub. L. 107-71, 115 Stat. 597, specifically 49 U.S.C. § 114(m)(1) and 106(l)(6), which authorizes other transactions.

## **ARTICLE III – SCOPE**

The purpose of this Agreement is to set forth the terms and conditions, as well as establish the respective cost-sharing obligations of the TSA and the CITY with respect to the design services and construction management design support services necessary to provide for the recapitalization of TSA Explosive Detection Systems (EDS) equipment within the Checked Baggage Inspection System (CBIS) at the International A, International G and Boarding Area F bag rooms at the San Francisco International Airport (the CBIS Project). The design services will be provided in accordance with the published TSA Planning Design Guidelines and Design Standards (PGDS) Version 3.0 dated November 2009 found at:  
[http://www.tsa.gov/research/checked\\_baggage\\_material.shtm](http://www.tsa.gov/research/checked_baggage_material.shtm)

This Design Services Project requires the CITY to provide the architect and engineering services to develop the design and construction specifications for the replacement of TSA EDS equipment in the International A, International G and the Boarding Area F bag rooms CBIS systems within the Airport Terminal buildings (hereinafter the Design Project). The design needs to identify the terminal modifications required to be made for the replacement of EDS units in the CBIS areas to include changes to baggage conveyor components and programming, mechanical, plumbing, electrical, structural, and telecommunications, or other infrastructure necessary to remove existing EDS units and replace them with new EDS units. The Design Project will also encompass any redesign of Checked Baggage Resolution Areas (CBRA) as required, as well as any required modifications to the multiplexed On Screen Resolution Room (OSR). The objective of the Design Services Agreement is to provide the necessary design deliverables and specifications to identify the necessary construction modifications required to replace obsolete EDS equipment with updated TSA EDS units while enhancing the security and baggage screening capabilities at the Airport. The detailed design deliverables for each Design Phase are identified in Appendix A of this Agreement. The Design Phases include:

1. Validation of Schematic/30% Design Package submittal, including pre-design Preliminary Alternative Analysis Report
2. Supplemental Preliminary Alternative Analysis Report to address increased load conditions identified with the Static Model Validation effort and incorporating the requirements of PGDS Version 3.0
3. TSA Briefing describing the Preferred Alternative

4. Updated TSA Basis of Design Report and Schematic Design upon reaching consensus with the TSA regarding the Preferred Alternative.
5. 30% TSA Design Package
6. 70% TSA Design Package
7. 100% TSA Design Package
8. Final Construction Drawings
9. Bid Phase Services
10. Construction Administration/Construction Phases Services
11. Construction Management Design Support Services

Any future allowable, allocable and reasonable costs for CBIS Project construction, project management, construction management, and commissioning/site acceptance testing is anticipated to be funded through a separate Agreement between the CITY and the TSA. This Design Agreement shall not be construed to obligate the TSA, in any manner, to provide construction cost funding or obligate the TSA to enter into an Agreement with the CITY for reimbursement of construction costs related to the CBIS Project. TSA funding for the construction portion of the CBIS Project is subject to the Congressional authorization and appropriation budget process.

#### **ARTICLE IV – COST SHARING AND OTHER RESPONSIBILITIES**

1. Capital Costs: The estimated cost of the Design Project refers to the design services to be completed by the CITY to design the modifications that need to be made to the Terminal CBIS systems to support the replacement of obsolete EDS units with new EDS units and associated TSA screening equipment. It does not include the costs of acquisition, delivery or installation of the EDS and ETD equipment itself. All work performed by the CITY pursuant to this Agreement shall be accomplished in accordance with the TSA PGDS in effect at the time this Agreement is executed and in accordance with the applicable local Airport Building Standards and Criteria. Recognizing the uniqueness of this Design Project, in the event of any conflicts between the provision of the PGDS and this Agreement, the Parties agree to resolve such conflicts through the design review and Alternative Analysis processes described in the TSA PDGS, Version 3.0.

2. The estimated cost for the design services for the Design Project is \$4,053,854.00. TSA agrees to reimburse the CITY for ninety percent (90%) of the allowable, allocable and reasonable costs of the design services for the Design Project, not to exceed a total reimbursement of \$3,648,469.00 (calculated as 90% of \$4,053,854.00). TSA reimburses ninety cents for every dollar of allowable, allocable and reasonable costs submitted by the CITY for reimbursement up to the TSA funded amount of \$3,648,469.00.

3. TSA will determine allowable and allocable costs in accordance with the OMB Circular A-87 “Cost Principles for State, Local and Indian Tribal Governments” codified at 2 C.F.R. Part 225 (together with Appendices A – D) and Appendix F of the TSA PGDS in effect upon the signing of this Agreement by both parties. TSA will reimburse the CITY on an actual expense basis supported by one or more invoices submitted by the CITY in accordance with Article X – Payment. The parties understand and agree that all design costs in excess of \$3,648,469.00, as well as any costs that are inconsistent with OMB A-87 and the guidance set forth in Appendix F of the TSA PGDS, shall be borne solely by the CITY unless otherwise agreed by the TSA in a modification in accordance with Article XIII – Changes and/or Modifications. Should the TSA

contributions of \$3,648,469.00 represent more than ninety percent of the total final TSA allowable, allocable, and reasonable design costs for the TSA baggage screening project, the CITY will refund TSA sufficient funds such that TSA's total reimbursement will be no more than 90% of the total allowable, allocable and reasonable costs submitted by the CITY.

4. The Design Project costs which TSA will reimburse are limited specifically to those costs associated with the Design Deliverables identified in Appendix A "TSA PGDS Design Deliverables Checklist" and outlined in Article III – Scope to address the replacement of EDS units and any commensurate changes in the OSR room, the CBRA(s), and the EDS network equipment rooms as applicable. The Design Services entail validation/finalization of Preferred Alternative Analysis, Basis of Design Report, schematics, 30%, 70% and 100% TSA design packages and preparation of 70% design documents for bidding, bid phase services, and construction/administration and construction phase services. The CITY's design-build Contractor will prepare the 100% construction documents and will be the final engineer of record.

5. Change orders shall not be considered authorization to exceed TSA's reimbursement limit of \$3,648,469.00 for the Design Project, unless the TSA Deployment Manager and TSA Contracting Officer have been notified in advance of the impact the Change Order has on the total cost of the design services for the Design Project, and TSA provides its written approval to proceed with the work identified in the Change Order. Use of contingency funds for the TSA baggage-screening project requires TSA's prior written approval.

## **ARTICLE V: PROJECT RESPONSIBILITIES**

The primary Project responsibilities of the TSA and the CITY are outlined below. The Design Project will be overseen by the CITY.

### **A. TSA Responsibilities**

1. Review and concur with the CBIS Project design, plans, and specifications for alternative analysis, schematic, 30%, 70% and 100% design packages for the installation of the replacement EDS units in the CBIS based upon the recommendations and guidelines in the TSA PGDS in effect at the time of execution of this Agreement.
2. The CITY must receive concurrence from TSA at each stage of the design review in order to proceed to the next design review stage.
3. Consider design alternatives during the design review process in order to achieve the most efficient screening solution for both TSA and CITY.
4. Provide the TSA PGDS as well as the EDS equipment specification(s) as required.
5. Advise the type of EDS equipment to be provided at each stage of the design.
6. Provide EDS Original Equipment Manufacturer Technical Advisory Support Services to the Airport regarding integration of the EDS units into the baggage handling system (BHS).
7. Review and consider requested changes to the design and associated costs.

## **B. CITY/Airport Responsibilities**

1. Except for the responsibilities of the TSA, as outlined above, the Design Project will be managed and overseen by the CITY. The CITY, acting through such contractors as it may engage, will provide the engineering and design services necessary for successful completion of the Design Project. The CITY will provide oversight of such contractor(s) to ensure the design of the CBIS Project conforms to the TSA design guidelines identified in the PGDS and is completed within the prescribed schedule identified and incorporated herein as Appendix B.
2. The CITY must receive concurrence from TSA at each stage of the design review in order to proceed to the next design review stage.
3. Provide a budgetary construction cost estimate with the schematic, 30% design review and subsequent 70% and 100% design reviews for the CBIS Project.
4. Obtain all necessary licenses, insurance permits and approvals.
5. Ensure the EDS OEM site planning, installation, integration and networking guidelines are incorporated into the design to ensure operational, maintenance and environmental specifications are met.
6. Within the design, provide reasonable measures to protect the EDS and ETD equipment from harm, theft, and water intrusion in the screening area.
7. Incorporate heating, ventilation, air conditioning into the design as well as OSHA requirements for those spaces occupied by TSA personnel.
8. Submit monthly progress reports by the 10<sup>th</sup> of each month to the TSA Deployment Manager, OSTCBD@tsa.dhs.gov

## **ARTICLE VI - EFFECTIVE DATE AND TERM**

For purposes of establishing recognition of costs incurred for the Design Project, the effective date of this Agreement is established as March 1, 2011. Project completion is currently estimated to be on or about December 31, 2012 unless earlier terminated by the parties pursuant to Article XV "Termination" as provided herein or extended by mutual written agreement pursuant to Article XIII "Changes and/or Modifications." The period of performance for this effort is established as June 30, 2013 in order to allow the CITY time to submit a final invoice, close out the Design Project, and address any other issues.

The CITY will establish and provide Design Schedule Milestones to the TSA that allow objective measurement of progress toward completion. Design Schedule Milestones will be provided to the TSA within 30 days after the CITY has established their design services contract(s). TSA maintains the right to identify any additional milestones to be tracked.

## **ARTICLE VII - ACCEPTANCE AND TESTING**

TSA will deem the Design Project complete upon review and concurrency of the 100% design package for the CBIS, OSR and CBRA for each Terminal. The design must conform to the TSA PGDS in effect at the time that this Agreement is executed. Successful completion requires the correction of any non-conformances identified during the design review process.



## ARTICLE VIII - AUTHORIZED REPRESENTATIVES

The authorized representative for each party shall act on behalf of that party for all matters related to this Agreement. Each party's authorized representative may appoint one or more personnel to act as an authorized representative for any administrative purpose related to this Agreement, provided written notice of such appointments is made to the other party to this Agreement. The authorized representatives for the parties are as follows:

- A. TSA Points of Contact:  
 Deployment Manager/Contracting Officer Technical Representative:  
 Khalid Haider  
 Mail Stop TSIF #32  
 Transportation Security Administration  
 1 Post Office Road  
 Washington, DC 20528-6032  
 Phone: 571-227-1350  
 E-Mail: Khalid.haider@dhs.gov
- Contracting Officer:  
 Connie Thornton  
 Office of Acquisition, TSA-25  
 Transportation Security Administration  
 4275 Airport Road, Suite C  
 Rapid City, SD 57703  
 Phone: 605-393-8191  
 E-Mail: Connie.Thornton@dhs.gov

Only the TSA Contracting Officer (CO) shall have the authority to bind the Federal government with respect to funding and liability. The TSA Regional Deployment Manager (RDM) is also the TSA Contracting Officer Technical Representative (COTR) and is responsible for the technical administration of this Agreement and technical liaison with the CITY and the SFO Airport. The TSA COTR is not authorized to change the scope of work, to make any commitment or otherwise obligate the TSA, or authorize any changes which affect the liability of the TSA such as amount or level of funding.

The CITY Airport must notify the TSA CO and COTR in the event that any TSA employee or TSA contracted agent takes any action that may be interpreted by the CITY and/or the SFO Airport as direction which could increase the Design Project costs and could cause the CITY and/or the SFO Airport to seek reimbursement from TSA in excess of the of the TSA's total reimbursement liability as defined in Articles IV and IX of this Agreement.

- A. City of San Francisco Points of Contact:

The City and County of San Francisco Commission Point of Contact for all correspondence is:

Tom Rodrigues  
 Project Manager  
 San Francisco International Airport

Bureau of Design and Construction  
P.O. Box 8097  
San Francisco, California 94128  
(650) 867-5738  
tom.rodriguez@flysfo.com

The City and County of San Francisco Commission Point of Contact for invoices is:

Geri Rayca  
Project Manager  
San Francisco International Airport  
Bureau of Design and Construction  
P.O. Box 8097  
San Francisco, California 94128  
(650) 821-5317  
geri.rayca@flysfo.com

**ARTICLE IX - FUNDING AND LIMITATIONS**

TSA will provide funding to the CITY in an amount not to exceed \$3,648,469.00. Funds in the amount of \$3,648,469,000 are hereby obligated and made available for payment for performance of this Agreement. Expenses incurred in executing the work identified herein are chargeable to:

**PR: 21-11-201CT1149**

Accounting Code:

**5AV101B010D2011SWE044GE013723006200622CTO.5903001518010000.251B.TSA  
DIRECT/DEF. TASK Amount: \$3,648,469.00**

In the event of termination or expiration of this Agreement, any TSA funds that have not been spent or incurred for allowable expenses prior to the date of termination and are not reasonably necessary to cover termination expenses will be returned and/or de-obligated from this Agreement. TSA's liability to make payments to the CITY is strictly limited to the amount of funds obligated and available for payment hereunder, including written modifications to this Agreement.

Under no circumstances will TSA be responsible to reimburse the CITY for profit or the general costs of government. The CITY may recover the allowable direct costs of the CITY personnel performing work necessary under this Agreement, as well as the allowable and allocable costs of the contractors hired by the CITY to perform the necessary work under this Agreement. Profit and overhead costs for the CITY's contractors performing work on the TSA Project are allowable costs. Submission of a cost allocation plan is required to address any indirect costs, to include CITY employees, who work on multiple activities that will result in a request for reimbursement under this Agreement. TSA will not be responsible for costs incurred by the CITY, its contractors or agents to perform work not in compliance with the TSA requirements in this Agreement. The TSA has the right to recoup any payments made to the CITY if the TSA Contracting Officer determines that the invoices submitted by the CITY exceed the actual costs incurred, or if the work substantially deviates from the TSA-approved design requirements for the Project pursuant to this Agreement.

TSA will reimburse only for allowable, allocable and reasonable costs in accordance with the OMB Circular No. A-87 in effect on the Effective Date of the Agreement (codified at 2 C.F.R. Part 225) and the allowable/not-allowable costs identified in the TSA PGDS in effect as of the effective date of this Agreement.

## ARTICLE X – PAYMENT

The United States Coast Guard Finance Center performs the payment function on behalf of the TSA. For purposes of submission to the Coast Guard Finance Center, the CITY must submit a completed Summary Invoice. Central Contractor Registration is mandatory for invoice payment; for information regarding the Central Contractor Registration, please refer to <http://www.ccr.gov>.

Invoices for reimbursable expenses will be submitted every thirty (30) days, as expenses are incurred. For periods in which the CITY has not incurred a reimbursable expense, an invoice is not required. Expenses are considered to accrue on the date that the CITY is invoiced from a subcontractor, supplier, or provider of services. Reimbursement by TSA is conditioned upon submission to TSA of an invoice identifying the Project costs that have been incurred and paid. The TSA intends to make payment to the CITY within 30 days of receipt of each properly prepared invoice for reimbursement of incurred costs.

In the event that an invoice for reimbursable expenses is not received by the TSA within a twelve (12) month period, the TSA reserves the right to terminate the Agreement per Article XV “Termination.”

The TSA reimbursement process consists of two steps.

Step 1 – Summary Invoice Submittal to the U.S. Coast Guard Finance Center for Payment, and at a minimum should contain the following information:

- (1) Agreement Number HSTS04-11-H-CT1149
- (2) Invoice Number and Invoice Date
- (3) Complete Business Name and Remittance Address
- (4) Point of Contact with address, telephone, fax and e-mail address
- (5) Tax Identification Number and DUN’s Number
- (6) Dollar Amount of Reimbursement requested
- (7) Signature of the CITY’s authorized representative and the following certification language: *“This is to certify that the services set forth herein were performed during the period stated and that the incurred costs billed were actually expended for the Project.”*

The Summary Invoice may be submitted by standard email or by electronic transmission to the following address(s):

Mailing Address: TSA Commercial Invoices  
 USCG Finance Center  
 P.O. Box 4111  
 Chesapeake, VA 23327

Email: FIN-SMB-TSAINVOICES@uscg.mil

Step 2 – Submission of Summary Invoice and Supporting Documentation  
 Submittal to TSA for Approval of Payment:

The TSA CO and the COTR are required to review and approve all invoices prior to payment. To aid in this review, the Airport shall provide a copy of the Summary Invoice along with all receipts, contractor pay requests and other supporting information which specify the vendor, services provided, and products delivered as well as the appropriate identifications that the Airport has paid these obligations. The Airport should provide this supporting information simultaneously with Step 1 to expedite the payment process.

The Support Documentation should contain the following items:

- Summary Invoice from Step 1
- An executive summary project overview with the first invoice
- A summary spreadsheet providing a categorized breakdown of the amount invoiced.
- Signed, approved and legible copies of each individual contractor's invoice to include schedules of values statements of work.
  - Copies of contracts and change orders that provide support for the actual work being invoiced
  - Vendor and subcontractor invoices with specific details about services provided
  - Rationale for all allocations or unusual calculations or assumptions
  - Proof of delivery to the project sponsor
  - Copies of subcontractor's invoices if listed on a prime contractor's invoice as a single amount (copies of timesheets and detailed backup not required if descriptions are clear and specific).
- Proof of payment by the Airport for each invoice in the form of copies of check/warrants, bank wire transfers, or accounting systems transactions

The Summary Invoice and supporting documentation may be submitted by email or mail via CD or paper documents or electronic transmission to the below addresses. The final closeout invoice should include proof that all required deliverables have been provided.

Mr. Christopher Randall  
 Mail Stop TSA TSIF - #32  
 Transportation Security Administration  
 1 Post Office Way  
 Washington, D.C. 20528-6032

Email: OSTCBD@tsa.dhs.gov

Connie Thornton, TSA Contracting Officer  
 C/O Mr. John Gebhart  
 Faithful & Gould  
 1725 Duke Street, Suite #200  
 Alexandria, VA 22314  
 Phone: 571-403-8777  
 Email: John.Gebhart@fgould.com

Upon completion of the review of the supporting documentation for the Summary Invoice, the TSA CO and the TSA RDM/COTR will advise the Coast Guard Finance Center regarding payment of the Summary Invoice.

## **ARTICLE XI - AUDITS**

The Federal Government, including the Comptroller General of the United States, has the right to examine or audit relevant financial records for a period not to exceed three (3) years after expiration of the terms of this Agreement. The CITY and its contractors must maintain an established accounting system that complies with generally accepted accounting principles. Records related to disputes arising out of this Agreement shall be maintained and made available until such disputes have been resolved. As used in this provision, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.

The CITY shall maintain all records and other evidence sufficient to reflect costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this Agreement. The TSA CO or the authorized representative of the TSA CO shall have the right to examine and audit those records at any time, or from time to time. The right of examination shall include inspection at all reasonable times at the offices of the CITY or at the offices of the CITY's contractor(s) responsible for the Project. The CITY will be required to submit cost or pricing data and supporting information in connection with any invoice relating to this Agreement if requested by the TSA CO.

This Article XI shall not be construed to require the CITY or its contractors or subcontractors to create or maintain any record that they do not maintain in the ordinary course of business pursuant to a provision of law, provided that those entities maintain records which conform to generally accepted accounting practices.

The CITY shall insert a clause containing the terms of Article XI – Audits in all its contracts and subcontracts under this Agreement that exceed \$100,000.00 (One Hundred Thousand Dollars).

## **ARTICLE XII – REQUIRED FEDERAL PROCUREMENT PROVISIONS**

Competition in the award of contracts or procurements resulting from this Project is strongly encouraged and the CITY should promote competition to the maximum extent practicable. The CITY intends to select a Design-Build Contractor based on a competitive best value basis, including qualifications and cost. The CITY proposes to use a Federal Acquisition Regulation Cost Plus Fixed Fee contract arrangement with their Design-Build Contractor.

The CITY agrees to include in its contract(s) a provision that the Airport Terminal designs for this Project are required to comply with the TSA's Planning Guidelines and Design Standards.

## **ARTICLE XIII – CHANGES AND/OR MODIFICATIONS**

Changes and modifications to this Agreement shall be in writing and signed by the TSA CO and duly executed by the authorized representative of the CITY. Any modification shall cite this Agreement and shall state the exact nature of the change and/or modification. No oral statement by any person shall be interpreted as modifying or otherwise affecting the terms of this Agreement. The properly signed written modification shall be attached to this Agreement and thereby become a part of this Agreement.

#### **ARTICLE XIV – DISPUTES**

When possible, disputes will be resolved by informal discussion between the parties. All disputes arising under or related to this Agreement shall be resolved under this Article. Disputes, as used in this Agreement, mean a written demand or written assertion by one of the parties seeking, as a matter of right, the adjustment or interpretation of Agreement terms, or other relief arising under this Agreement. The dispute shall be made in writing and signed by a duly authorized representative of the CITY or the TSA. At a minimum, a dispute under this Agreement shall include a statement of facts, adequate supporting data. In the event that the parties are unable to resolve any disagreement through good faith negotiations, the dispute will be resolved by the TSA Assistant Secretary or his or her designee. The parties agree that the TSA Assistant Secretary's decision shall be final and not subject to further judicial or administrative review and shall be enforceable and binding upon the parties.

#### **ARTICLE XV – TERMINATION**

In addition to any other termination rights provided by this Agreement, either party may terminate this Agreement at any time prior to its expiration date, with or without cause, and without incurring any liability or obligation to the terminated party (other than payment of amounts due and performance of obligations accrued, in each case on or prior to the termination date) by giving the other party at least thirty (30) days prior written notice of termination. Upon receipt of a notice of termination, the receiving party shall take immediate steps to stop the accrual of any TSA additional obligations that might require payment.

In the event of termination or expiration of this Agreement, any TSA funds that have not been spent or incurred for allowable expenses prior to the date of termination and are not reasonably necessary to cover termination expenses will be returned and/or de-obligated from this Agreement.

#### **ARTICLE XVI – CONSTRUCTION OF THE AGREEMENT**

This Agreement is an "other transaction" issued under 49 U.S.C. § 106(l) and 114(m)(1) and is not a procurement contract, grant or cooperative agreement. Nothing in this Agreement shall be construed as incorporating by reference or implication any provision of Federal acquisition law or regulation. It is not intended to be, nor shall it be construed as creation of a partnership, corporation, or other business entity between the parties.

Each party acknowledges that all parties hereto participated equally in the negotiation and drafting of this Agreement and any amendments thereto, and that, accordingly, this Agreement shall not be construed more stringently against one party than against the other.

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties.

In the event that any Article and/or parts of this Agreement are determined to be void or otherwise invalid or unenforceable, such Article or portions thereof shall lapse. No such lapse

will affect the rights, responsibilities, and obligations of the parties under this Agreement, except as provided therein. If either party determines that such lapse has or may have a material effect on the performance of the Agreement, such party shall promptly notify the other party, and shall negotiate in good faith a mutually acceptable amendment to the Agreement if appropriate to address the effect of the lapse.

## **ARTICLE XVII - PROTECTION OF INFORMATION**

The parties agree that they shall take appropriate measures to protect all proprietary, privileged, confidential, or otherwise Sensitive Security Information (SSI) that may come into their possession as a result of this Agreement.

### **A. RELEASE OF TECHNICAL DATA**

No Sensitive Security Information (SSI), as defined in 49 CFR Parts 15 and 1520, concerning the scope of this Agreement, shall be published or released to the public without prior written approval of the TSA Assistant Secretary or his or her designee. Guidance regarding SSI may be found in Appendix G, "Checked Baggage Screening Equipment Sensitive Security Information Identification Guide", of the TSA PGDS.

### **B. RECORDS AND RELEASE OF INFORMATION**

All Sensitive Security Information (SSI), as defined in 49 CFR Part 1520, shall be handled in accordance with TSA policies and regulations. All employees, contractors, and subcontractors assigned to work under this Agreement are subject to the provisions of 49 CFR Part 1520, Protection of Sensitive Security Information, because they act for, or carry out duties for, or on behalf of the TSA. SSI may not be disclosed except in accordance with the provisions of that rule or where TSA otherwise approves.

### **C. MEDIA**

Neither the CITY nor the Airport shall make publicity or public affairs activities related to the subject matter of this Agreement unless written approval has been received from the TSA Office of Security Technology or the TSA Office of Strategic Communication and Public Affairs.

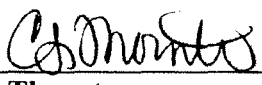
## **ARTICLE XVIII - SURVIVAL OF PROVISIONS**

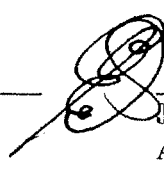
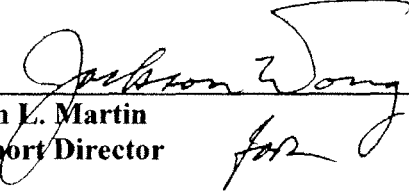
The following provision of this Agreement shall survive the termination of this Agreement: Article XII – Required Federal Procurement Provisions; Article XI – Audits; Article XIV – Disputes, Article XVII – Protection of Information and Article XVIII – Survival of Provisions.

**IN WITNESS WHEREOF**, the Parties have entered into this Agreement by their duly authorized officers this \_\_\_\_ day of \_\_\_\_\_, 2011.

U. S. Department of Homeland Security  
Transportation Security Administration

City and County of San Francisco  
Airport Commission

  
\_\_\_\_\_  
Connie Thornton  
TSA Contracting Officer

  
  
\_\_\_\_\_  
John L. Martin  
Airport Director

3/23/2011  
\_\_\_\_\_  
Date


3-11-11  
\_\_\_\_\_  
Date

Copy to:  
Office of Security Technology  
Federal Security Director

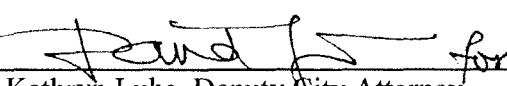
Authorized by Airport Commission

Resolution No. 11-0041

Adopted: March 1, 2011

Attest:   
\_\_\_\_\_  
Jean Caramatti  
Secretary, Airport Commission

Approved as to Form  
Dennis J. Herrera, City Attorney

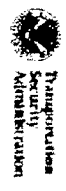
By:   
\_\_\_\_\_  
Kathryn Luhe, Deputy City Attorney



## Appendix A TSA Planning Guidelines and Design Standards Design Deliverables Checklist

Figure 2-4  
DELIVERABLES CHECKLIST

| PROJECT PHASE DELIVERABLES                             |         | SECTION | Completed |    | PROJECT PHASE DELIVERABLES                            |       | SECTION | Completed |    |
|--|---------|---------|-----------|----|---|-------|---------|-----------|----|
|  |         |         | Yes       | No |   |       |         | Yes       | No |
| <b>Pre-Design Phase</b>                                |         |         |           |    | <b>Detailed Design Phase (continued)</b>              |       |         |           |    |
| Preliminary Alternatives Analysis Report               | 2.2.1   |         |           |    | 70% Design Submittals (continued)                     | 2.2.3 |         |           |    |
| Preferred Alternatives Analysis Report                 |         |         |           |    | Description of Operations                             |       |         |           |    |
| <b>Submittal Design Phase</b>                          |         |         |           |    | Preliminary Contingency Plan                          |       |         |           |    |
| Basis of Design Report                                 | 2.2.2   |         |           |    | 70% Specifications                                    |       |         |           |    |
| Detailed Program Requirements                          |         |         |           |    | Draft Site Specific Configuration Management Plan     |       |         |           |    |
| High-Level Flow-Based Modeling Assumptions and Results |         |         |           |    | Stakeholder Review and Approval Documentation         |       |         |           |    |
| Preliminary Concept Plans                              |         |         |           |    | 70% Estimate of Probable Construction and O&M Costs   |       |         |           |    |
| Planning and Constructability Technical Memoranda      |         |         |           |    | Pressing Schedule                                     |       |         |           |    |
| ROM Estimate of Probable Construction and O&M Costs    |         |         |           |    | Conveyer Manual                                       |       |         |           |    |
| Stakeholder Review and Approval Documentation          |         |         |           |    | Updated EIS Equipment List                            |       |         |           |    |
| Preliminary Project Schedule                           |         |         |           |    | <b>100% Design Submittals</b>                         |       |         |           |    |
| <b>Detailed Design Phase</b>                           |         |         |           |    | 3rd Document  |       |         |           |    |
| 30% Design Submittals                                  | 2.2.2   |         |           |    | Final Description of Operations                       |       |         |           |    |
| Updated Basis of Design Report                         | 2.2.3.1 |         |           |    | Contingency Plans                                     |       |         |           |    |
| Operational Standards Assessment                       |         |         |           |    | Project Specifications                                |       |         |           |    |
| Preliminary Plans                                      |         |         |           |    | Final Site Specific Configuration Management Plan     |       |         |           |    |
| Cross Sections   |         |         |           |    | Stakeholder Review and Approval Documentation         |       |         |           |    |
| Description of Operations                              |         |         |           |    | Final Estimate of Probable Construction and O&M Costs |       |         |           |    |
| Baggage and Data Flow Charts                           |         |         |           |    | Final Pressing Schedule                               |       |         |           |    |
| Table of Contents for CMS                              |         |         |           |    | Updated EIS Equipment List                            |       |         |           |    |
| Screening Equipment Installation Guidelines            |         |         |           |    | Operations Training Materials and Documentation       |       |         |           |    |
| Outline of Reporting Capabilities                      |         |         |           |    | <b>Construction Phase</b>                             |       |         |           |    |
| Stakeholder Review and Approval Documentation          |         |         |           |    | Changes to Approved 100% Design Submittals            | 2.2.4 |         |           |    |
| 30% Estimate of Probable Construction and O&M Costs    |         |         |           |    | Construction Schedule                                 |       |         |           |    |
| Preliminary Pressing Schedule                          |         |         |           |    | Courtesy Copies of Shop and Installation Drawings     |       |         |           |    |
| Conveyer Manual  |         |         |           |    | <b>Testing and Commissioning Phase</b>                |       |         |           |    |
| EIS Equipment List                                     |         |         |           |    | Pre-ISA Documentation                                 | 2.2.5 |         |           |    |
| 70% Design Submittals                                  | 2.2.3.2 |         |           |    | ISA Documentation                                     |       |         |           |    |
| Updated Basis of Design Report                         |         |         |           |    | <b>Project Closeout Phase</b>                         |       |         |           |    |
| Updated Operational Standards Assessment               |         |         |           |    | As-built CMS Documentation Submittal                  | 2.2.6 |         |           |    |
| 70% Design Drawings                                    |         |         |           |    | Final Copy of the PLC Program with Drawings           |       |         |           |    |
| Cross Sections   |         |         |           |    | Final Copy of Disaster Recovery Procedures            |       |         |           |    |



**APPENDIX B, Project Milestone Schedule**

| <b>Design Services Milestones</b>  | <b>Estimated Completion Dates</b> |
|--|-----------------------------------|
| Items 1-4: Validation of Schematic/30% Design submittal, include pre-design Preliminary Alternative Analysis Report Supplemental Preliminary Alternative; TSA Briefing describing the Preferred Alternative; Updated TSA Basis of Design Report and Schematic Design | <b>Dates to Be Filled In</b>      |
| Item 5: 30% TSA Design Package   | June, 2011                        |
| Item 6: 70% TSA Design Package   | August, 2011                      |
| Item 7: 100% TSA Design Package  | November, 2011                    |
| Item 8: Final Construction Drawings  | November, 2011                    |
| Item 9: Bid Phase Services   | October, 2011                     |
| Item 10: Construction Administration/Construction Phases Services  | December, 2013                    |

**TSA Funding Amount for the Design OTA**

| <b>TSA Funding Amount for Design OTA</b> |          |             |
|--|----------|-------------|
| Design Fee w/ Construction Admin         | 8%       | \$3,243,083 |
| Construction Management                  | 2%       | \$810,771   |
|  | Subtotal | \$4,053,854 |
| X 80% Cost Share                         |          | \$3,648,469 |

### APPENDIX C, SCHEDULE OF DELIVERABLES

The following deliverables are required to be submitted by the CITY/Airport.

| Item  | Submitted To:   | Frequency or Due Date   |
|---|---|---|
| Alternative Analysis, Schematic, 30%, 70% and 100% Design                 | TSA Deployment Manager,<br>OSTCBD@tsa.dhs.gov                             | In accordance with the TSA PGDS Deliverables Checklist  |
| Schedule to include Project Milestones (Design and proposed Construction) | TSA Deployment Manager,<br>OSTCBD@tsa.dhs.gov                             | Within 30 days of the CITY awarding the design contract. Updates submitted with monthly TSA report. |
| Design Contract Schedule of Fees  | TSA Deployment Manager,<br>TSA Contracting Officer,<br>OSTCBD@tsa.dhs.gov | Provide upon issuing Design Contract  |
| Copies of the Design Contract(s) and Change Orders                        | TSA Deployment Manager,<br>TSA Contracting Officer,<br>OSTCBD@tsa.dhs.gov | Upon Award. Change Orders requiring advanced TSA approval.  |
| Monthly Project Report  | TSA Deployment Manager,<br>OSTCBD@tsa.dhs.gov                             | By the 10 <sup>th</sup> of each month. Electronic submission is requested.                          |
| Requests for Information or Clarification                                 | TSA Deployment Manager  | As needed   |
| Final Invoice   | TSA Deployment Manager<br>TSA Contracting Officer,<br>OSTCBD@tsa.dhs.gov  | No later than 90 days after completion of the CBIS Construction Project.                            |

The Monthly Project Report is to be submitted by the 10th of each month to the TSA Deployment Lead, and OSTCBD@tsa.dhs.gov and shall address the following:

- Design Schedule in both PDF and “live”/usable format to depict the critical path, baseline and actual date information; predecessors/successors. The Design Schedule will be used for all planned TSA activities.