

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

Modification No. 3

THIS MODIFICATION (this “Modification”) is dated April 19, 2022, in San Francisco, California, by and between **Dignity Health dba St. Mary’s Medical Center** (“Contractor”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Airport Commission, hereinafter referred to as “**Commission.**”

RECITALS

- A. City and Contractor have entered into the Agreement (as defined below); and
- B. On February 19, 2019, by Resolution No. 19-0026, the Commission awarded this Agreement to the Contractor for the initial term of July 1, 2019 through June 30, 2022, in a not-to-exceed amount of \$5,900,000; and
- C. The City and Contractor agreed that due to the COVID-19 pandemic, there was a need to make available onsite testing for diagnosis of COVID-19 for Airport Commission employees, and for employees of Airport tenants, Airlines and other entities that provide services at SFO; and
- D. On May 28, 2020, the Airport Director administratively modified the Agreement (Modification No. 1) to add Dignity Health Medical Foundation (DHMF) as a subcontractor to the Agreement; and
- E. On May 18, 2021, by Resolution No. 21-0116, the Commission approved Modification No. 2 to increase the not-to-exceed amount for the initial term of the Agreement to \$9,400,000, and to reduce the fixed management fee established in the Agreement by 50% for fiscal years 2020-2021 and 2021-2022; and
- F. On April 19, 2022, by Resolution No. 22-0062, the Commission approved Modification No. 3 to exercise the option to extend the term for two years to June 30, 2024 and increase the not-to-exceed amount for the Agreement to \$11,000,000, and to reduce the Clinic’s Monday-to-Friday operating hours from 12 to 8 hours for fiscal years 2022-2023 and 2023-2024; and
- G. On June 7, 2022, by Resolution No. 269-22, the Board of Supervisors approved Modification No. 3 under San Francisco Charter Section 9.118; and
- H. There is no Local Business Entity (“LBE”) subcontracting participation requirement for this Agreement; and
- I. Approval for this Agreement was obtained when the Civil Service Commission approved PSC No. 44548-16/17 on April 18, 2022.

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

- 1. Article 1. Definitions, Section 1.1 Agreement** means the contract document dated July 1, 2019, Modification No. 1, dated May 28, 2020, Modification No. 2, dated May 18, 2021, including all attached

appendices, and all applicable city ordinances and “Mandatory City Requirements” which are specifically incorporated by reference into the Agreement.

2. Article 3. Financial Matters, Section 3.3. Compensation, 3.3.1 Payment is hereby amended to increase the total compensation by \$1,600,000 for a new total not-to-exceed amount of \$11,000,000.

3. Article 11, General Provisions, Section 11.1 Notices to the Parties is hereby replaced in its entirety with the following:

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

To City: Anwar Elgonemy, Hotel & Special Projects Director, San Francisco International Airport, P.O. Box 8097, San Francisco, CA 94128, 650-821-5804, anwar.elgonemy@flysfso.com

To Contractor: Daryn Kumar, President and CEO, Dignity Health, St. Mary’s Medical Center, 450 Stanyan Street, San Francisco, CA 94117, 415-750-4855, daryn.kumar@dignityhealth.com

Any notice of default must be sent by registered mail. Either Party may change the address to which notice is to be sent by giving written notice thereof to the other Party. If email notification is used, the sender must specify a receipt notice.

11.1.1 The Parties consent to the use of Digital Signatures, affixed using the City’s DocuSign platform, to execute this Agreement and all subsequent modifications.

4. Appendix A. Scope of Work, Section 1.7. Additional Services, 1.7.7 is replaced in its entirety as follows:

1.7.7 Contractor shall accept all major Preferred Provider Organization (PPO) plans. Contractor shall also diligently and continuously use all commercially reasonable efforts to expand and maintain its Health Maintenance Organization (HMO) network provider contracts at the Airport.

5. Appendix B, Calculation of Charges, Section 3 Management Fee is hereby amended to increase the current base amount of the annual Management Fee of \$177,500 to its previous amount of \$355,500 for fiscal years 2022-2023 and 2023-2024.

6. Appendix C is hereby replaced in its entirety with the new **Appendix C-1: Financial Projections, Five-Year Budget.**

**APPENDIX C-1: FINANCIAL PROJECTIONS
FIVE-YEAR BUDGET**

FISCAL YEAR	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	TOTAL 5-YR.
	Actual	Actual	Annualized Projected	Estimated Proposed Budget	Estimated Proposed Budget	
BASE CASE SCENARIO						
Visit Volume	13,375	10,449	14,000	14,420	14,853	
Revenue Per Visit	\$97	\$113	\$100	\$103	\$106	
Net Patient Revenue	\$1,302,015	\$1,176,802	\$1,400,000	\$1,485,260	\$1,575,712	\$6,939,789
Labor Costs	\$3,204,511	\$3,023,821	\$3,114,536	\$2,751,862	\$2,834,418	\$14,929,147
Additional Staffing	\$0	\$0	\$0	\$0	\$0	\$0
Additional Advertising	\$0	\$0	\$0	\$0	\$0	\$0
Non-Labor Expenses	\$313,937	\$263,547	\$271,453	\$279,597	\$287,985	\$1,416,519
EMR Interface between eCW and Cerner PCA	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$3,518,448	\$3,287,368	\$3,385,989	\$3,031,459	\$3,122,402	\$16,345,666
Operating Shortfall (Base Case Scenario)	-\$2,216,433	-\$2,110,566	-\$1,985,989	-\$1,546,199	-\$1,546,690	-\$9,405,877
Mgmt. Fee (Fixed)	\$355,000	\$177,500	\$177,500	\$355,000	\$355,000	\$1,420,000
Mgmt. Fee Adj. (60% of Savings): To Be Determined		\$0	\$0	\$0	\$0	\$0
Total Mgmt. Fee	\$355,000	\$177,500	\$177,500	\$355,000	\$355,000	\$1,420,000
PROJECTED SFO PAYMENTS (BASE CASE)	\$2,571,433	\$2,288,066	\$2,163,489	\$1,901,199	\$1,901,690	\$10,825,877
PROJECTED SFO PAYMENTS (RANGE)	\$2,571,433	\$2,288,066	\$2,163,489	\$1,901,199	\$1,901,690	
MAX. PROJECTED BUDGET 3-YR. & 5-YR. BUDGET (RANGE)			\$7,022,988		\$10,825,877	
			\$7,622,988		\$13,025,877	

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

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

IN WITNESS WHEREOF, Contractor and City have executed this Modification as of the date first referenced above.

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By:  8CFDC3E9126544B Ivar C. Satero, Airport Director	By:  D690058CB23B4E9 Authorized Signature
Attest:	Daryn Kumar
By:  85B9720884A344D... Kantrice Ogletree, Secretary Airport Commission	President and CEO
Resolution No: <u>22-0062</u>	<u>Dignity Health, dba St. Mary's Medical Center</u>
Adopted on: <u>April 19, 2022</u>	0000021370 City Supplier ID
Approved as to Form:	450 Stanyan Street
David Chiu City Attorney	San Francisco, CA 94117
By:  6264DE41BFD7436... Christopher Stuart Deputy City Attorney	415-750-4855 94-1196203