

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

**Fifth Modification
Contract No. 9024.9**

**Construction Management Services for the International Terminal and
Terminal 3 Boarding Area F Checked Baggage Inspection System Modernization Program
and the International Terminal Baggage Handling System Improvements Project**

THIS MODIFICATION (this "Modification") is made as of **December 2, 2014**, in San Francisco, California, by and between **CAGE Professional Services, Inc.** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission or the Commission's designated agent, hereinafter referred to as "**Commission.**"

RECITALS

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

WHEREAS, the Commission adopted Resolution Number 11-0146 on June 30, 2011 which awarded said Agreement for the period of June 30, 2011 through December 31, 2011; and

WHEREAS, the Commission adopted Resolution Number 11-0221 on October 4, 2011 which awarded Modification number 1 for a new term ending on December 31, 2013; and

WHEREAS, the Commission adopted Resolution Number 12-0158 on July 17, 2012 which awarded Modification number 2; and

WHEREAS, the Commission adopted Resolution Number 13-0248 on December 3, 2013 which awarded Modification number 3; and

WHEREAS, the Commission adopted Resolution Number 14-0124 on June 17, 2014 which awarded Modification number 4; and

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

WHEREAS, Commission approved this Modification 5 pursuant to Resolution Number **14-0249** on **December 2, 2014**; and

WHEREAS, approval for this Modification was obtained when the Civil Service Commission approved Contract number PSC #4099-09/10 on June 2, 2014; and

WHEREAS, the Commission desires to modify the Agreement for administrative changes required by recently enacted San Francisco contracting ordinances; and

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

1. **Definitions.** The following definitions shall apply to this Modification:

a. **Agreement.** The term "Agreement" shall mean the Agreement dated June 30, 2011 between Contractor and City, as amended by the:

First Amendment,	dated October 4, 2011, and
Second Amendment,	dated July 17, 2012, and
Third Amendment,	dated December 3, 2013, and
Fourth Modification,	dated June 17, 2014

b. **Other Terms.** Terms used and not defined in this Modification shall have the meanings assigned to such terms in the Agreement.

2. **Section 2. Term of the Agreement** is hereby amended to extend the term of the contract for nine (9) months for a new ending date of September 30, 2015.

3. **Section 5. Compensation** is hereby amended to increase the total compensation payable by an amount not to exceed Seven Hundred Ninety-Five Thousand Dollars (\$795,000) for a new total not to exceed amount of Eight Million, Five Hundred Ninety-Five Thousand Dollars (\$8,595,000) and to incorporate the following revised appendices: Appendix B.1.2: Supplement to Provisional Indirect Cost Rate Agreement; Appendix B.2: Supplement to Calculation of Charges; and Appendix C.1.2: Supplement to Cost Proposal and Rates.

4. **New Section 32. Earned Income Credit (EIC) Forms** is hereby replaced in its entirety with a **New Section 32. Consideration of Criminal History in Hiring and Employment Decisions** to read as follows:

32. Consideration of Criminal History in Hiring and Employment Decisions.

a. Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12T "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Administrative Code (Chapter 12T), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at www.sfgov.org/olse/fco. A partial listing of some of Contractor's obligations under Chapter 12T is set forth in this Section. Contractor is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12T.

b. The requirements of Chapter 12T shall only apply to the Contractor's or Subcontractor's operations to the extent those operations are in furtherance of the performance of this Agreement, and shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, whose employment is or would be in whole or in substantial part physically located in the City and County of San Francisco, which excludes Airport property.

1) Applicants or employees who would be or are performing work in furtherance of this Agreement may be required to be screened by the U.S. Department of Homeland Security for security badging. A rejection by the U.S. Department of Homeland Security of an applicant's or employee's security badging application, and the resulting inability of the Contractor to hire the

applicant or assign the employee to perform services under this Agreement, shall not be considered an Adverse Action under Chapter 12T.

c. Contractor shall incorporate by reference in all subcontracts the provisions of Chapter 12T, 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.

d. Contractor or Subcontractor shall not inquire about, require disclosure of, or if such information is received, base an Adverse Action on an applicant's or potential applicant for employment or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

e. Contractor or Subcontractor shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection 32.4, above. Contractor or Subcontractor shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

f. Contractor or Subcontractor shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment to be performed under this Agreement, that the Contractor or Subcontractor will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

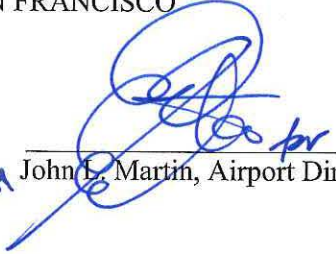
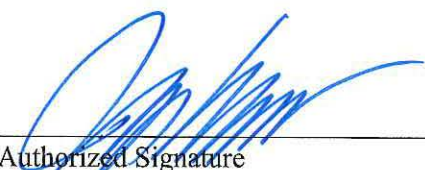

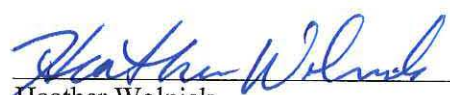
g. Contractor and Subcontractors shall post the notice prepared by the Office of Labor Standards Enforcement (OLSE), available on OLSE's website, in a conspicuous place at every workplace, job site, or other location under the Contractor or Subcontractor's control at which work is being done or will be done in furtherance of the performance of this Agreement. The notice shall be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the workplace, job site, or other location at which it is posted.

h. Contractor understands and agrees that if it fails to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T, including but not limited to, a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Agreement.

5. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Modification.

6. 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:  John L. Martin, Airport Director	 Authorized Signature
Attest: By:  Jean Caramatti, Secretary Airport Commission	John Boodee President CAGE Professional Services, Inc. 6303 Commerce Drive, Suite 150 Irving, Texas 75063 972-550-1001
Resolution No: 14-0249 Adopted on: December 2, 2014	81238 City Vendor Number
Approved as to Form: Dennis J. Herrera City Attorney	75-2722503 Federal Employer ID Number
By:  Heather Wolnick Deputy City Attorney	

Appendices

- B.2** Supplement to Calculation of Charges
- B.1.2** Supplement to Compensation and Payment
- C.1.2** Supplement to Cost Proposal and Rates



**APPENDIX B.2 SUPPLEMENTAL
SUPPLEMENT TO CALCULATION OF CHARGES**

This is Appendix B.2 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" or "Airport"), 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 – No Change

B. Method of Payment – Section B.8 is modified as follows:

8. All invoices shall be made in writing and delivered or mailed to the Airport as follows:

By US mail: **Greg McCarthy**, 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: **Greg McCarthy**, Project Manager
San Francisco International Airport
Delta/Singapore Building
Design and Construction (Contract 9024.9)
710 N. McDonnell Road, 2nd Floor
San Francisco, CA 94128

C. Direct Salary Rate and Direct Salary Rate Adjustment – No Change

D. Billing Rates

1. Subject to Appendix B.1.2 Supplemental, Supplement to Compensation and Payment, 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.3.1 and Appendix C.3.2 Supplemental, 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.1.2. Billing rates may be adjusted on July 1st of each year when the direct labor rates are adjusted as stated in Appendix B, Section C.3.2.

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 – No Change

F. Other Direct Cost – No Change

- G. The approved staffing plan and hourly rate schedule are detailed in Appendix C.1, C.1.2, C.2 and C.3 of this agreement.

**APPENDIX B.1.2 SUPPLEMENTAL
SUPPLEMENT TO COMPENSATION AND PAYMENT**

**FORM OF
PROVISIONAL INDIRECT COST RATE AGREEMENT**

This is an Appendix B.1.2 attached to, and incorporated by reference in the Agreement made on **June 30, 2011** between the City and County of San Francisco ("City"), acting by and through its Airport Commission ("Commission" or "Airport"), 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, Contractor and City agree as follows:

I. DEFINITIONS – NO CHANGE

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:

TABLE 1	
FIRM	PROVISIONAL OVERHEAD RATE
CAGE Professional Services, Inc.	141.59%
KPA Group	179.01%
Chaves & Assoc	112.20%
EPC Consultants	Field = 106.90% and Home Office = 110.24%
M Lee Corp	131.96%
Apex Testing	76.44%
Grindstone Group, LLC	75.52%
Cooper Pugeda Management, Inc.	105.21%

- 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 – NO CHANGE

III. FINAL INDIRECT COST RATE – NO CHANGE

IV. OTHER – NO CHANGE

CT9024.9: CAGE, Inc. - CM Services for CBIS Modernization Project

	Max Base Rate	2015								
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<i>Workhours per Month:</i>		176	160	176	176	168	176	184	168	176
CAGE, Inc.										
Site & Commissioning Specialist	\$ 40.00	176	80							
Chaves & Assoc										
Document Control	\$ 42.00	176	160	176	176	168	176	184	168	88
CPM										
Construction Manager	\$ 75.00	35	32	35	35	34	35	37		
Office Engineer/Inspector	\$ 60.00	176	120	88						
Project Controls	\$ 75.00	176	160	176	176	126	132	138	84	88

OVERHEAD RATES		
	2013 Actual	2014 Provisional
CAGE, Inc.	127.88%	127.88%
CPM Services, Inc.	105.21%	105.21%
Chaves & Assoc	TBD	TBD