

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

Eighth Modification

Contract No. 9024.9

Construction Management Services for the International Terminal Checked Baggage Inspection System Modernization and Baggage Handling System Improvements Project

THIS MODIFICATION (this "Modification") is made as of **August 9, 2016**, 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, on June 30, 2011, by Resolution No. 11-0146, the Commission awarded this Agreement to the Contractor; and

WHEREAS, on October 4, 2011, by Resolution Number 11-0221 the Commission approved Modification No. 1 for a new term ending on December 31, 2013; and

WHEREAS, on July 17, 2012, by Resolution Number 12-0158, the Commission approved Modification No. 2 to increase the contract amount and modify the consultants' overhead rates; and

WHEREAS, on December 3, 2013, by Resolution Number 13-0248, the Commission approved Modification No. 3 for a new term ending June 30, 2014; and

WHEREAS, on June 17, 2014, by Resolution Number 14-0124, the Commission approved Modification No. 4 for a new term ending December 31, 2014; and

WHEREAS, on December 2, 2014, by Resolution Number 14-0249, the Commission approved Modification No. 5 for a new term ending September 30, 2015; and

WHEREAS, on September 1, 2015, by Resolution Number 15-0171, the Commission approved Modification No. 6 for a new term ending September 30, 2016; and

WHEREAS, on November 1, 2015, City and Contractor through the Seventh Modification administratively modify the Agreement to include new subconsultants and services; and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the contract duration by twelve (12) months for a new ending date of September 30, 2017; and

WHEREAS, Commission approved this Modification pursuant to Resolution Number 16-0221 on August 9, 2016 and approved revising the Agreement title to "Construction Management Services for the

International Terminal Checked Baggage Inspection System Modernization Program and Baggage Handling System Improvements;" and

WHEREAS, approval for this Agreement was obtained when the Civil Service Commission approved PSC No. 4099-09/10 on June 2, 2014; 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; and
Fifth Modification,	dated December 2, 2014; and
Sixth Modification,	dated September 1, 2015; and
Seventh Modification,	dated November 1, 2015

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. Terms of the Agreement** is hereby amended to extend the term of the contract for twelve (12) months for a new ending date of September 30, 2017.

3. **Section 5. Compensation** is hereby amended as follows:


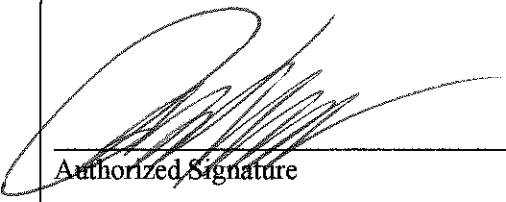
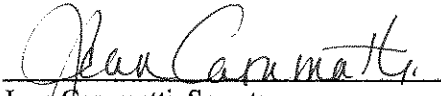
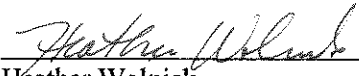
A. Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Airport Director or designee, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed **Nine Million Nine Hundred Forty-five Thousand Dollars (\$9,945,000)**. The breakdown of costs associated with this Modification No. 8 appears in Appendix B.3, "Supplement to Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. 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.

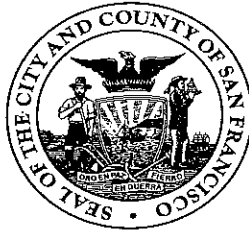
4. **Appendix B, Calculation of Charges, B.1, Supplemental Supplement to Calculation of Charges, and B.2 Supplemental Supplement to Calculation of Charges** are hereby deleted in their entirety and replaced with Appendix B.3, Calculation of Charges.

5. **Effective Date.** Each of the modifications set forth herein 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:  Ivar C. Satero, Airport Director	 Authorized Signature
Attest:	John Boodee President
By:  Jean Caramatti, Secretary Airport Commission	CAGE Professional Services, Inc. 6303 Commerce Drive, Suite 150 Irving, Texas 75063 972-550-1001
Resolution No: 16-0221	81238 City Vendor Number
Adopted on: August 09, 2016	75-2722503 Federal Employer ID Number
Approved as to Form:	
Dennis J. Herrera City Attorney	
By:  Heather Wolnick Deputy City Attorney	



Appendix B.3 Calculation of Charges

This is Appendix B.3 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 Checked Baggage Inspection System Modernization and Baggage Handling System Improvements Project

A. General

1. For the compensation for complete and satisfactory performance of services detailed in Appendix A.2 of the Agreement are set forth in paragraph 5.A. "Compensation" of the Agreement and all Agreement modifications.
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 time and material payment basis, except when lump sum is pre-approved by the Commission's Project Manager. 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 Commission's 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. 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.
 - d. Each invoice shall clearly distinguish Contractor's personnel that is invoiced at the home office rate versus the field office rate. See paragraph F below for rate definitions.
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. 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 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 Contractor or any of its subcontractors shall be billed monthly on all direct labor 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 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 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's mailing address listed in Section 25, Notice to Parties, of the Agreement:

C. Direct Salary Rate and Direct Salary Rate Adjustment

1. The direct labor rate shall not exceed **Ninety-eight Dollars (\$98)** 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 approved billing rates stated in this Modification No. 8 shall remain in effect for one year on the first calendar day following the certified date of this Modification No. 8. At the option of the Commission, this is a multi-year contract, the Commission may approve an annual adjustment to the direct hourly labor rates, based on an increase in the Consumer Price Index for the preceding twelve (12) months for the San Francisco Bay Area as published by the U.S. Department of Labor, Bureau of Labor Statistics, under the title of: "Services Less Rent or Shelter – All Urban Consumers – San Francisco/Oakland/San Jose, California" or on an increase in the wages of comparable classifications as reflected in the collective bargaining agreements between the City and County of San Francisco and the labor organization representing those classifications, whichever is lower. Such adjustment is subject to prior written approval by the Commission and must be included in a written modification to the Agreement before any increase labor rate is incurred, unless the adjustment is made to meet the requirements of prevailing or minimum wage legislative mandates. In no event will the adjustment exceed the lower of the above specified indices unless the proposed adjustment is made pursuant to other specific terms of this Agreement or is necessary to meet the requirements of prevailing or minimum wage legislative mandates.

D. Billing Rates

1. Billing rates and overhead rates shall be used for reimbursement of the cost portion of this Agreement. Billing rates shall be the sum of approved hourly direct base labor rates as set forth in paragraph G below plus indirect cost. Indirect cost rates are as follows:

Firm Name	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 Pugada Management, Inc.	105.21%
Brock Solutions	N/A
Innovation Technology Partners, Inc.	N/A
Faith Group, LLC	129.8%

2. Contractor shall submit to the Commission current certified reviewed financial audit report(s) of overhead cost rates for home and/or field office rates upon request for a change or addition to the approved overhead rates stated in this Paragraph.
3. Whenever possible, overhead rates shall be established for home office and field office work. The home office rate shall be used when staff works in an office provided by Contractor. The field office rate shall be used when staff is assigned full time to an office provided by the Commission. To qualify for the field office 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 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.

The Airport will allow Prime Contractor or Joint Venture a **two percent (2%)** mark-up on first tier subcontractor invoices only.

F. Other Direct Cost (ODC)

1. The following items are considered normal Agreement costs, a part of the Approved Overhead Rates, and are not considered ODCs: (a) phone calls, faxes, mail, express mail, courier delivery or overnight delivery service charges, or other communications charges between members of the Contractor's team, regardless of location; regional phone calls and faxes for all area codes having any geographical land area within 100 miles of San Francisco even though its outlying boundary exceeds the 100 mile limitation; (b) Internet gateways, electronic mail service or other technology-based communication service, FTP sites, or data file transfer or research services; (c) travel by the Contractor or its subcontractors between its home office and the San Francisco Bay Area; (d) travel within 100 mile radius of San Francisco; travel outside 100 mile radius of San Francisco unless approved in writing in advance by the Commission; (e) in-house coordination materials among the Contractor's team and subcontractors, including photocopy and drawing materials, messenger services; (f) presentation materials; and (g) food and beverage and/or entertainment charges of any kind unless approved in writing in advance by the Chief Development Officer.

2. Unless authorized by the Chief Development Officer, the Commission will not reimburse the Contractor for the costs of business travel, contractor meals, and accommodations, this includes specialists that are based out of town and not assigned to the jobsite office. Travel and *per diem* expenses for the project team's management, jobsite personnel, or staff that commute to or from other offices or residences are not allowed. When authorized, travel expenses shall be in accordance with the City & County of San Francisco Travel Guidelines can be found at the following link:

https://www.google.com/url?q=http://sfcontroller.org/Modules/ShowDocument.aspx%3Fdocumentid%3D2174&sa=U&ved=0CAUQFjAAahUKEwjU0_TaqLjHAAhUImogKHT3iCMw&client=internal-uds-cse&usg=AFOjCNHkyPKe3iRnxO0y7-OQ2M7NqoiPbA

3. Any ODC expenses in excess of \$500 shall be pre-approved by the Project Manager.

F. Direct Labor Rates

The approved base hourly rates are as follows:

CLASSIFICATION	RANGE OF RATES
Admin Support	\$22.50 - \$37.50
Analyst	\$25 - \$40
CAD Designer	\$25 - \$40
Commissioning Manager	\$35 - \$65
Construction Manager	\$45 - \$85
Design Manager	\$35 - \$65
Document Control	\$38 - \$45
Estimator	\$45 - \$75
Field Engineer	\$30 - \$70
Office Engineer	\$30 - \$70
Project Controls Manager	\$60 - \$85
Project Manager	\$55 - \$98
Resident Engineer I	\$35 - \$55
Resident Engineer II	\$50 - \$70
Resident Engineer III	\$60 - \$75
Scheduler	\$60 - \$80
Senior Cost Controls Manager	\$55 - \$75
Senior Network Designer	\$50 - \$65
Senior Systems Designer	\$55 - \$70
Site Manager/Commissioning Specialist	\$30 - \$60
Special Inspector	\$35 - \$60

H. Lump Sum Payments

The approved lump sum payments are as follows:

Brock Solutions: \$72,375

Innovation Technology Partners, Inc.: \$190,882

END OF APPENDIX B. 3