

**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  
Hallmark Aviation Services L. P.  
Contract No. 50365**

This Agreement is made this 14<sup>th</sup> day of June, 2024, in the City and County of San Francisco (“City”), State of California, by and between Hallmark (“Contractor”) and City.

**Recitals**

- A. The Airport Commission (“Commission” or “Department”) wishes to procure the following services from the Contractor to provide Airport customer information and support services by managing and staffing information desks, the Federal Inspection Service (FIS) area, and designated landside and airside locations and providing exceptional support and services to airport guests, employees and other users of the Airport; and
- B. Contractor represents and warrants that it is qualified to perform the Services required by City as set forth under this Agreement; and
- C. On February 7, 2024, the Commission issued a Request for Proposals (“RFP”) entitled Airport information and Guest Assistance Services procured as required by San Francisco Administrative Code (“Administrative Code”) Section 21.1 through Section 21.3 and as a result of the selection process prescribed in the RFP and upon the recommendation of the Airport Director, the Commission determined that the Contractor was the qualified proposer receiving the highest evaluation score; and
- D. The City’s Airport Commission approved this Agreement by 24-0119 on June 4, 2024 in the amount of \$9,299,429 for the period commencing July 1, 2024 and ending June 30, 2025; and
- E. This is a contract for Services and there is a Local Business Enterprise (“LBE”) subcontracting participation requirement with respect to the Services, as defined further herein; and
- F. The City has approved the contracting-out of the services under this Agreement upon the certification of the Controller that the services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels, see BOS Resolution No. 323-24, adopted June 4, 2024; and

Now, THEREFORE, the parties agree as follows:

**Article 1 Definitions**

The following definitions apply to this Agreement:

- 1.1 “Agreement” means this contract document, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements which are specifically incorporated into this Agreement by reference as provided herein.
- 1.2 “City” means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration or the Director’s designated agent, hereinafter referred to as “Purchasing,” and Airport Commission.

1.3 “City Data” means that data as described in Article 13 of this Agreement which includes, without limitation, all data collected, used, maintained, processed, stored, or generated by or on behalf of City in connection with this Agreement. City Data includes, without limitation, Confidential Information.

1.4 “CMD” means the Contract Monitoring Division of the City.

1.5 Confidential Information

1.5.1 “Confidential Information” means confidential City information including, but not limited to, personal identifiable information (“PII”), protected health information (“PHI”), or individual financial information (collectively, “Proprietary or Confidential Information”) that is subject to local, state or federal laws restricting the use and disclosure of such information, including, but not limited to, Article 1, Section 1 of the California Constitution; the California Information Practices Act (Civil Code § 1798 et seq.); the California Confidentiality of Medical Information Act (Civil Code § 56 et seq.); the federal Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801(b) and 6805(b)(2)); the privacy and information security aspects of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act (45 CFR Part 160 and Subparts A, C, and E of part 164); and San Francisco Administrative Code Chapter 12M (“Chapter 12M”). Confidential Information includes, without limitation, City Data.

1.5.2 “Confidential Information” also means any and all nonpublic information, whether written, electronic, or oral, concerning or relating to Airport technology, computer, or data systems, processes, or procedures, or Critical Infrastructure Information or Protected Critical Infrastructure Information as defined under the Homeland Security Act of 2002 and 6 CFR § 29.2, which information or access to such information is supplied by the Airport or on behalf of the Airport to Contractor or otherwise acquired by Contractor during the course of dealings with the Airport. Additionally, “Confidential Information” includes security or security-related information, whether or not such information constitutes sensitive security information (“SSI”) as provided under 49 CFR Part 1520. In the event Contractor acquires SSI, it shall treat such information in conformance with federal law and the provisions of this Agreement.

1.5.3 “Confidential Information” is confidential regardless of whether such information is in its original form, a copy, or a derivative product. “Derivative” means written or electronic material created from or with, or based on Confidential Information (i.e., a report analyzing Confidential Information shall also be considered Confidential Information). Confidential Information shall also mean proprietary, trade secret or other protected information identified as Confidential Information by the Airport.

1.6 “Contractor” means Hallmark Aviation Services L. P., 5757 W. Century Boulevard, Suite 860, Los Angeles, CA 90045.

1.7 “Digital Signature” means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature.

1.8 “Deliverables” means Contractor’s or its subcontractors’ work product, including any partially-completed work product and related materials, resulting from the Services provided by Contractor to City during the course of Contractor’s performance of the Agreement, including without limitation, the work product described in the “Scope of Services” attached as Appendix A.

1.9 “Mandatory City Requirements” means those City laws set forth in the San Francisco Municipal Code, including the duly authorized rules, regulations, and guidelines implementing such laws that impose specific duties and obligations upon Contractor.

1.10 “Party” and “Parties” means City and Contractor either individually or collectively.

1.11 “Services” means the work performed by Contractor under this Agreement as specifically described in the “Scope of Services” attached as Appendix A, including all services, labor, supervision,

materials, equipment, actions and other requirements to be performed and furnished by Contractor under this Agreement.

## **Article 2            Term of the Agreement**

2.1     **Term.** The term of this Agreement shall commence on July 1, 2024 and expire on June 30, 2025, unless earlier terminated as otherwise provided herein.

2.2     **Options to Renew.** City has three options to renew the Agreement for a period of one additional year each. City may exercise this option at City's sole and absolute discretion by modifying this Agreement as provided in Section 11.5, "Modification of this Agreement." Extensions may be for the whole or partial period provided for above.

## **Article 3            Financial Matters**

### **3.1            Certification of Funds; Budget and Fiscal Provisions.**

3.1.1   **Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of Section 3.105 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 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.

3.1.2   **Maximum Costs.** City's payment obligation to Contractor cannot at any time exceed the amount certified by City's Controller for the purpose and period stated in such certification. Absent an authorized emergency per the City Charter or applicable Code, no City representative is authorized to offer or promise, nor is City required to honor, any offered or promised payments to Contractor under this Agreement in excess of the certified maximum amount without the Controller having first certified the additional promised amount and the Parties having modified this Agreement as provided in Section 11.5, "Modification of this Agreement."

3.2     **Authorization to Commence Work.** Contractor shall not commence any work under this Agreement until City has issued formal written authorization to proceed, such as a purchase order, task order or notice to proceed. Such authorization may be for a partial or full scope of work.

### **3.3            Compensation.**

3.3.1   **Calculation of Charges and Contract Not to Exceed Amount.** The amount of this Agreement shall not exceed Nine Million Two Hundred Ninety Nine Thousand Four Hundred Twenty Nine Dollars (\$9,299,429), the breakdown of which appears in Appendix B, "Calculation of Charges." City shall not be liable for interest or late charges for any late payments. City will not honor minimum service order charges for any Services covered by this Agreement.

3.3.2   **Payment Limited to Satisfactory Services.** Contractor is not entitled to any payments until City approves the Services delivered. Payments to Contractor by City shall not excuse Contractor from its obligation to replace the unsatisfactory Services even if the unsatisfactory character was apparent or could have been detected at the time such payment was made. Non-conforming Services may be rejected by City and in such case must be replaced by Contractor without delay at no cost to City.

**3.3.3 Withhold Payments.** If Contractor fails to provide the Services in accordance with Contractor's obligations under this Agreement, City may withhold any and all payments due to Contractor until such failure to perform is cured, and Contractor shall not stop work as a result of City's withholding of payments as provided herein.

**3.3.4 Invoice Format.** Invoices submitted by Contractor under this Agreement must be in a form acceptable to the Controller and City and include a unique invoice number and a specific invoice date. Payment shall be made by City as specified in Section 3.3.8, or in such alternate manner as the Parties have mutually agreed upon in writing. All invoices must show the PeopleSoft Purchase Order ID Number, PeopleSoft Supplier Name and ID, Item numbers (if applicable), complete description of Services performed, sales/use tax (if applicable), contract payment terms and contract price. Invoices that do not include all required information or contain inaccurate information will not be processed for payment.

**3.3.5 LBE Payment and Utilization Tracking System.** LBE Subcontracting Participation Requirements apply to this Agreement. Contractor shall: (a) within three (3) business days of City's payment of any invoice to Contractor, pay LBE subcontractors as provided under Chapter 14B.7(H)(9); and (b) within ten (10) business days of City's payment of any invoice to Contractor, confirm its payment to subcontractors using City's Supplier Portal Payment Module, unless instructed otherwise by CMD. Failure to submit all required payment information to City's Supplier Portal Payment Module with each payment request may result in the withholding of twenty (20%) of subsequent payments due. Self-Service Training is located at this link: <https://sfcitypartner.sfgov.org/pages/training.aspx>.

**3.3.6 Getting paid by City for Services.**

(a) City utilizes a commercial product through its banking partner to pay City contractors electronically. Contractors shall sign up to receive electronic payments to be paid under this Agreement. To sign up for electronic payments, visit [SF City Partner at sfgov.org](https://sfcitypartner.sfgov.org).

(b) At the option of City, Contractor may be required to submit invoices directly in the City's financial and procurement system. Refer to <https://sfcitypartner.sfgov.org/pages/training.aspx> for more information.

**3.3.7 Grant Funded Contracts - Reserved**

**3.3.8 Payment Terms.**

(a) **Payment Due Date.** Unless City notifies the Contractor that a dispute exists, Payment shall be made within 60 calendar days, measured from (1) the rendering of the Services or (2) the date of receipt of the invoice, whichever is later. Payment is deemed to be made on the date City issued a check to Contractor or, if Contractor agreed to electronic payment, the date City has posted electronic payment to Contractor.

**(b) Payment Discount Terms - Reserved.**

**3.4 Audit and Inspection of Records.** Contractor agrees to maintain and make available to City, during regular business hours, accurate books and accounting records relating to its Services. Contractor will permit City to audit, examine and make copies of 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 as conferred upon City by this Section. Contractor shall include the same audit and inspection rights and record retention requirements in all subcontracts.

**3.5 Submitting False Claims.** The full text of San Francisco Administrative Code Section 21.35, including the enforcement and penalty provisions, is incorporated into this Agreement. Any contractor or subcontractor who submits a false claim shall be liable to City for the statutory penalties set forth in that section.

### **3.6 Payment of Prevailing Wages.**

**3.6.1 Covered Services.** Services to be performed by Contractor under this Agreement may involve the performance of trade work covered by the provisions of Administrative Code Section 6.22(e) [Prevailing Wages] or Section 21C [Miscellaneous Prevailing Wage Requirements] (collectively, “Covered Services”). The provisions of Administrative Code Sections 6.22(e) and 21C are incorporated as provisions of this Agreement as if fully set forth in this Agreement and will apply to any Covered Services performed by Contractor and its subcontractors.

**3.6.2 Wage Rates.** The latest prevailing wage rates for private employment on public contracts as determined by the BOS and the Director of the California Department of Industrial Relations, as such prevailing wage rates may be changed during the term of this Agreement, are hereby incorporated as provisions of this Agreement, as applicable. For trade work covered by the provisions of Administrative Code Section 21C, Contractor agrees that it shall pay not less than the prevailing wage rates, as fixed and determined by the BOS, to all workers employed by Contractor who perform such Covered Services under this Agreement. Copies of such rates are available from the Office of Labor Standards and Enforcement (“OLSE”) and on the Internet at <https://sfgov.org/olse/prevailing-wage-non-construction>. For trade work covered by the provisions of Administrative Code Section 6.22(e), Contractor agrees that it shall pay not less than the prevailing wage rates as fixed and determined by the California Department of Industrial Relations for the County of San Mateo to all workers employed by Contractor who perform Covered Services under this Agreement. Copies of such rates are available from the OLSE and on the Internet at <http://www.dir.ca.gov/DLSR/PWD>.

## **Article 4 Services and Resources**

**4.1 Services Contractor Agrees to Perform.** Contractor agrees to perform the Services stated in Appendix A, “Scope of Services.” Officers and employees of City are not authorized to request and City is not required to compensate for Services beyond those stated.

Appendix A includes a defined Scope of Services and as-needed Services. As-needed Services shall be performed by Contractor only upon request 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 in this Agreement without the need for a formal amendment to the Agreement. Only the Airport Director or the Airport Director’s designee has the authority to execute task orders for the City. Task orders shall be executed on Contractor’s behalf by an authorized representative of Contractor. Each task order shall be on the City’s task order template and shall include a description of the as-needed Services, the deliverables, schedule for performance, cost, and method and timing of payment. All Contractor costs associated with the development of any task order shall be borne by Contractor. The calculation of cost and the method and timing of payment for all task orders shall be in accordance with Appendix B, “Calculation of Charges,” and Article 3, “Financial Matters.” The cumulative total compensation due to Contractor for all task orders issued under this Agreement shall not exceed the amount of compensation set forth for as-needed Services in Appendix B, “Calculation of Charges.” Contractor shall only be compensated for as-needed Services performed under an authorized, executed task order as detailed in this Section 4.1. All task orders are governed by and subject to the terms and conditions of this Agreement.

**4.2 Qualified Personnel.** Contractor represents and warrants that it is qualified to perform the Services required by City, and that all Services will be performed by competent personnel with the

degree of skill and care required by current and sound professional procedures and practices. Contractor will comply with City's reasonable requests regarding assignment and/or removal of personnel, but all personnel, including those assigned at City's request, must be supervised by Contractor. Contractor shall commit sufficient resources for timely completion within the project schedule.

**4.3 Subcontracting.** Contractor may subcontract portions of the Services only upon prior written approval of City. Contractor is responsible for its subcontractors throughout the course of the work required to perform the Services. All subcontracts must incorporate the terms of Article 10 "Additional Requirements Incorporated by Reference" of this Agreement, unless inapplicable. Neither Party shall, on the basis of this Agreement, contract on behalf of, or in the name of, the other Party. Any agreement made in violation of this provision shall be null and void. City's execution of this Agreement constitutes its approval of the subcontractors listed below and/or in appendices: Polaris Research and Development, Inc.

#### **4.4 Independent Contractor; Payment of Employment Taxes and Other Expenses.**

**4.4.1 Independent Contractor.** For the purposes of this Section 4.4, "Contractor" shall be deemed to include not only Contractor, but also any agent or employee of Contractor. Contractor acknowledges and agrees that at all times, Contractor is an independent contractor and is wholly responsible for the manner and means by which it performs the Services and work required under this Agreement. Contractor, and its agents and employees will not represent or hold themselves out to be employees of City at any time. 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 is liable for its acts and omissions. 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 of its agents or employees. Contractor agrees to maintain and make available to City, upon request and during regular business hours, accurate books and accounting records demonstrating Contractor's compliance with this Section. Should City determine that Contractor is not performing in accordance with the requirements of this Section, City shall provide Contractor with written notice of such failure. Within five (5) business days of Contractor's receipt of such notice, and in accordance with Contractor policy and procedure, Contractor shall remedy the deficiency. Notwithstanding, if City believes that an action of Contractor warrants immediate remedial action by Contractor, City shall contact Contractor and provide Contractor in writing with the reason for requesting such immediate action.

**4.4.2 Payment of Employment 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 under this Section 4.4 shall be solely limited to 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, Contractor agrees to indemnify and hold harmless City and its officers, agents and employees from, and,

if requested, shall defend them against any and all claims, losses, costs, damages, and expenses, including attorneys' fees, arising from this Section.

**4.5 Assignment.** The Services to be performed by Contractor are personal in character. This Agreement may not be directly or indirectly assigned, novated, or otherwise transferred unless first approved by City by written instrument executed and approved in the same manner as this Agreement. Any purported assignment made in violation of this provision shall be null and void.

**4.6 Service Warranties - Reserved.**

**4.7 Liquidated Damages - Reserved**

**4.8 Performance Bond.** The Contractor is required to furnish a performance bond on the form acceptable to City, in a sum of 100% of the annual amount of the contract to guarantee the faithful performance of this contract. The bond must be approved as to sufficiency and qualifications of the surety by the Controller. The bond must be renewed annually for multi-year contracts.

**4.9 Fidelity Bond – Reserved.**

**4.10 Emergency - Priority 1 Service.** In case of an emergency that affects any part of the San Francisco Bay Area, Contractor will give the City and County of San Francisco Priority 1 service with regard to the Services procured under this Agreement unless preempted by State and/or Federal laws. Contractor will make every good faith effort in attempting to deliver Services using all modes of transportation available. In addition, the Contractor shall charge fair and competitive prices for Services ordered during an emergency and not covered under the awarded Agreement.

## **Article 5 Insurance and Indemnity**

### **5.1 Insurance.**

**5.1.1 Required Coverages.** Without in any way limiting Contractor's liability under the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(a) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence and \$2,000,000 general aggregate for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations.

(b) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence, "Combined Single Limit" for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

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

(d) Professional Liability Insurance – Reserved.

(e) Technology Errors and Omissions Liability Insurance – Reserved.

(f) Cyber and Privacy Liability Insurance – Reserved.

(g) Pollution Liability Insurance - Reserved.

### **5.1.2 Additional Insured.**

(a) The Commercial General Liability Insurance policy must include as Additional Insured the City and County of San Francisco, the Airport Commission and its members, and all their officers, directors, and employees are to be named additional insureds as response to the performance of the contract.

(b) The Commercial Automobile Liability Insurance policy must include as Additional Insured the City and County of San Francisco, the Airport Commission and its members, and all their officers, directors, and employees are to be named additional insureds as response to the performance of the contract.

5.1.3 **Waiver of Subrogation.** The Workers' Compensation Liability Insurance policy(ies) shall include a waiver of subrogation in favor of City for all work performed by the Contractor, and its employees, agents and subcontractors.

5.1.4 **Primary Insurance.**

(a) The Commercial General Liability Insurance policy shall provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(b) The Commercial Automobile Liability Insurance policy shall provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(c) The Pollution Liability Insurance - Reserved.

5.1.5 **Other Insurance Requirements.**

(a) Thirty (30) days' advance written notice shall be provided to City of cancellation, intended non-renewal, or reduction in coverages, except for non-payment for which no less than ten (10) days' notice shall be provided to City. Notices shall be sent to City address set forth in Section 11.1 entitled, "Notices to the Parties."

(b) 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, be maintained for a period of three (3) years beyond the expiration of this Agreement, to the effect that, should occurrences during the Agreement term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

(c) 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.

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

(e) Before commencing any Services, Contractor shall furnish to City certificates of insurance including additional insured and waiver of subrogation status, as required, 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 coverages set forth above. Approval of the insurance by City shall not relieve or decrease Contractor's liability hereunder.

(f) If Contractor will use any subcontractor(s) to provide Services, Contractor shall require the subcontractor(s) to provide all necessary insurance and to name the City and County of San Francisco and its officers, agents, and employees, and the Contractor as additional insureds and waive subrogation in favor of City, where required.



## 5.2 Indemnification.

5.2.1 Contractor shall indemnify and hold harmless City and its officers, agents and employees from, and, if requested, shall defend them from and against any and all liabilities (legal, contractual, or otherwise), losses, damages, costs, expenses, or claims for injury or damages (collectively, “Claims”), arising from or in any way connected with Contractor’s performance of the Agreement, including but not limited to, any: (i) injury to or death of a person, including employees of City or Contractor; (ii) loss of or damage to property; (iii) violation of local, state, or federal common law, statute or regulation, including but not limited to privacy or personal identifiable information, health information, disability and labor laws or regulations; (iv) strict liability imposed by any law or regulation; or (v) losses arising from Contractor’s execution of subcontracts not in accordance with the requirements of this Agreement applicable to subcontractors; except to the extent such indemnity is void or otherwise unenforceable under applicable law, and except where such Claims are the result of the active negligence or willful misconduct of City and are 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, experts, and related costs, and City’s costs of investigating any claims against City.

5.2.2 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.

5.2.3 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 arising directly or indirectly from the receipt by City, or any of its officers or agents, of Contractor’s Services.

5.2.4 Under no circumstances will City indemnify or hold harmless Contractor.

5.2.5 **Severability Clause Specific to Indemnification and/or Defense Obligations.** To the extent any Court of competent jurisdiction or law invalidates any word, clause, phrase, or sentence in this Agreement that word, clause, phrase, or sentence, and no other portion, shall be deemed removed from this Section. All other words, clauses, phrases and/or sentences remain enforceable to the fullest extent permitted by law.

## Article 6 Liability of the Parties

6.1 **Liability of City.** CITY’S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 3.3.1, “PAYMENT,” 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.

6.2 **Liability for Use of Equipment.** City shall not be liable for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or any of its subcontractors, or by any of their employees, even though such equipment is furnished, rented or loaned by City.

6.3 **Liability for Incidental and Consequential Damages.** Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions.

## **Article 7 Payment of Taxes**

7.1 **Contractor to Pay All Taxes.** Except for any applicable California sales and use taxes charged by Contractor to City, Contractor shall pay all taxes, including possessory interest taxes levied upon or as a result of this Agreement, or the Services delivered under this Agreement. Contractor shall remit to the State of California any sales or use taxes paid by City to Contractor under this Agreement. Contractor agrees to promptly provide information requested by City to verify Contractor's compliance with any State requirements for reporting sales and use tax paid by City under this Agreement.

7.2 **Possessory Interest Taxes.** Contractor acknowledges that this Agreement may create a "possessory interest" for property tax purposes. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to timely report on behalf of City to the County Assessor the information required by San Francisco Administrative Code Section 23.39, as amended from time to time, and any successor provision. Contractor further agrees to provide such other information as may be requested by City to enable City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

7.3 **Withholding.** Contractor agrees that it is obligated to pay all amounts due to City under the San Francisco Business and Tax Regulations Code during the term of this Agreement. Under Section 6.10-2 of the San Francisco Business and Tax Regulations Code, Contractor further acknowledges and agrees that City may withhold any payments due to Contractor under this Agreement if Contractor is delinquent in the payment of any amount required to be paid to City under the San Francisco Business and Tax Regulations Code. Any payments withheld under this paragraph shall be made to Contractor, without interest, upon Contractor coming back into compliance with its obligations.

## **Article 8 Termination and Default**

### **8.1 Termination for Convenience.**

8.1.1 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 ("Notice of Termination"). The Notice of Termination shall specify the date on which termination of the Agreement shall become effective ("Termination Date").

8.1.2 Upon receipt of the Notice of Termination, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to affect the termination of this Agreement on the Termination Date and to minimize the liability of Contractor and City to third parties as a result of the termination. All such actions shall be subject to the prior approval of City. Such actions may include any or all of the following, without limitation:

- (a) Completing performance of any Services that City requires Contractor to complete prior to the Termination Date.
- (b) Halting the performance of all Services on and after the Termination Date.
- (c) Cancelling all existing orders and subcontracts by the Termination Date, and not placing any further orders or subcontracts for materials, Services, equipment or other items.
- (d) At City's direction, assigning to City any or all of Contractor's right, title, and interest under the orders and subcontracts cancelled. Upon such assignment, City shall have the

right, in its sole discretion, to settle or pay any or all claims arising out of the cancellation of such orders and subcontracts.

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

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

8.1.3 Within 30 days after the Termination Date, Contractor shall submit to City an invoice, which shall set forth each of the following as a separate line item:

(a) The reasonable cost to Contractor, without profit, for all Services provided prior to the Termination Date, for which City has not already made 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. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

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

(c) The reasonable cost to Contractor of handling and returning material or equipment delivered to City or otherwise disposed of as directed by City.

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

8.1.4 In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the Termination Date, except for those costs specifically listed in Section 8.1.3. Such non-recoverable costs include, but are not limited to, anticipated profits on the Services under 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 Section 8.1.3.

8.1.5 In arriving at the amount due to Contractor under this Section, City may deduct: (i) all payments previously made by City for Services covered by Contractor's final invoice; (ii) any claim which City may have against Contractor in connection with this Agreement; (iii) any invoiced costs or expenses excluded under the immediately preceding subsection 8.1.4; and (iv) in instances in which, in the opinion of City, the cost of any Service performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected Services, the difference between the invoiced amount and City's estimate of the reasonable cost of performing the invoiced Services in compliance with the requirements of this Agreement.

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

## 8.2 Termination for Default; Remedies.

8.2.1 Each of the following shall constitute an immediate 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:

3.5	Submitting False Claims.	10.10	Alcohol and Drug-Free Workplace
4.5	Assignment	11.10	Compliance with Laws
Article 5	Insurance and Indemnity	Article 13	Data and Security
Article 7	Payment of Taxes	= =	= =

(b) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, including any obligation imposed by ordinance or statute and incorporated by reference herein, and such default is not cured within ten days after written notice thereof from City to Contractor. If Contractor defaults a second time in the same manner as a prior default cured by Contractor, City may in its sole discretion immediately terminate the Agreement for default or grant an additional period not to exceed five days for Contractor to cure the default.

(c) Contractor (i) is generally not paying its debts as they become due; (ii) 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; (iii) makes an assignment for the benefit of its creditors; (iv) 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 (v) takes action for the purpose of any of the foregoing.

(d) A court or government authority enters an order (i) 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; (ii) constituting an order for relief or approving a petition for relief, reorganization or arrangement, 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 (iii) ordering the dissolution, winding-up or liquidation of Contractor.

**8.2.2 Default Remedies.** 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, where applicable, 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: (i) all damages, losses, costs or expenses incurred by City as a result of an Event of Default; and (ii) any liquidated damages levied upon Contractor under the terms of this Agreement; and (iii), any damages imposed by any ordinance or statute that is incorporated into this Agreement by reference, or into any other agreement with City.

**8.2.3** 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. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

**8.2.4** Any notice of default must be sent in accordance with Article 11.

**8.3 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.

**8.4 Rights and Duties upon Termination or Expiration.**

8.4.1 This Section and the following Sections of this Agreement listed below, shall survive termination or expiration of this Agreement:

3.3.2	Payment Limited to Satisfactory Services	8.2.2	Default Remedies
3.3.7(a)	Grant Funded Contracts – Disallowance	9.1	Ownership of Results
3.4	Audit and Inspection of Records	9.2	Works for Hire
3.5	Submitting False Claims	11.7	Agreement Made in California; Venue
Article 5	Insurance and Indemnity	11.8	Construction
6.1	Liability of City	11.9	Entire Agreement
6.3	Liability for Incidental and Consequential Damages	11.10	Compliance with Laws
Article 7	Payment of Taxes	11.11	Severability
8.1.6	Payment Obligation	Article 13	Data and Security

8.4.2 Subject to the survival of the Sections identified in Section 8.4.1, above, if this Agreement is terminated prior to expiration of the term specified in Article 2, this Agreement shall 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.

## **Article 9 Rights in Deliverables**

9.1 **Ownership of Results.** Any interest of Contractor or its subcontractors in the Deliverables, any partially-completed Deliverables, and related materials, shall become the property of and will be transmitted to City. Unless expressly authorized in writing by City, Contractor may not retain and use copies for reference and as documentation of its experience and capabilities.

9.2 **Works for Hire.** All copyrights in Deliverables that are considered works for hire under Title 17 of the United States Code, shall be the property of City. If any such Deliverables are ever determined not to be works for hire under federal law, Contractor hereby assigns all Contractor's copyrights to such Deliverables to City, agrees to provide any material and execute any documents necessary to effectuate such assignment, and agrees to include a clause in every subcontract imposing the same duties upon its subcontractors. With City's prior written approval, Contractor and its subcontractors may retain and use copies of such works for reference and as documentation of their respective experience and capabilities provided that any such use is in conformance with the confidentiality provisions of this Agreement.

## **Article 10 Additional Requirements Incorporated by Reference**

10.1 **Laws Incorporated by Reference.** The full text of the laws listed in this Article 10, including enforcement and penalty provisions, are incorporated by reference into this Agreement. The full text of the San Francisco Municipal Code provisions incorporated by reference in this Article and elsewhere in the Agreement ("Mandatory City Requirements") are available at [http://www.amlegal.com/codes/client/san-francisco\\_ca/](http://www.amlegal.com/codes/client/san-francisco_ca/).

10.2 **Conflict of Interest.** By executing this Agreement, Contractor certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City's Charter; Article III, Chapter

2 of City's Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 *et seq.*); or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 *et seq.*), and further agrees promptly to notify City if it becomes aware of any such fact during the term of this Agreement.

**10.3 Prohibition on Use of Public Funds for Political Activity.** In performing the Services, Contractor shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by City for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Contractor is subject to the enforcement and penalty provisions in Chapter 12G.

**10.4 Consideration of Salary History.** Contractor shall comply with San Francisco Administrative Code Chapter 12K, the Consideration of Salary History Ordinance or "Pay Parity Act." Contractor is prohibited from considering current or past salary of an applicant in determining whether to hire the applicant or what salary to offer the applicant to the extent that such applicant is applying for employment to be performed on this Agreement or in furtherance of this Agreement, and whose application, in whole or part, will be solicited, received, processed or considered, whether or not through an interview, in City or on City property. The ordinance also prohibits employers from (1) asking such applicants about their current or past salary or (2) disclosing a current or former employee's salary history without that employee's authorization unless the salary history is publicly available. Contractor is subject to the enforcement and penalty provisions in Chapter 12K. Information about and the text of Chapter 12K is available on the web at <https://sfgov.org/olse/consideration-salary-history>. Contractor is required to comply with all of the applicable provisions of 12K, irrespective of the listing of obligations in this Section.

**10.5 Nondiscrimination Requirements.**

**10.5.1 Nondiscrimination in Contracts.** Contractor shall comply with the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. Contractor shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Contractor is subject to the enforcement and penalty provisions in Chapters 12B and 12C.

**10.5.2 Nondiscrimination in the Provision of Employee Benefits.** San Francisco Administrative Code 12B.2 applies to this Agreement. 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 City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Administrative Code Section 12B.2.

**10.6 Local Business Enterprise and Non-Discrimination in Contracting Ordinance.** Contractor shall comply with all applicable provisions of Chapter 14B ("LBE Ordinance"). Contractor is subject to the enforcement and penalty provisions in Chapter 14B. Contractor shall utilize LBE Subcontractors for at least **35%** of the Services except as otherwise authorized in writing by the Director of CMD. Contractor shall incorporate the requirements of the LBE Ordinance in each subcontract made in the fulfillment of Contractor's LBE subcontracting commitments.

**10.7 Minimum Compensation Ordinance.** Administrative Code Chapter 12P applies to this Agreement. Contractor shall pay covered employees no less than the minimum compensation required by San Francisco Administrative Code Chapter 12P, including a minimum hourly gross compensation, compensated time off, and uncompensated time off. Contractor is subject to the enforcement and penalty provisions in Chapter 12P. Information about and the text of Chapter 12P is available on the web at <http://sfgov.org/olse/mco>. Contractor is required to comply with all of the applicable provisions of 12P,

irrespective of the listing of obligations in this Section. By signing and executing this Agreement, Contractor certifies that it complies with Chapter 12P.

**10.8 Health Care Accountability Ordinance.** Administrative Code Chapter 12Q applies to this contract. Contractor shall comply with the requirements of Chapter 12Q. 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. Information about and the text of Chapter 12Q, as well as the Health Commission's minimum standards, is available on the web at <http://sfgov.org/olse/hcao>. Contractor is subject to the enforcement and penalty provisions in Chapter 12Q. Any Subcontract entered into by Contractor shall require any Subcontractor with 20 or more employees to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. If the Airport's Quality Standards Program applies to this Agreement, see Section 12.7 for further requirements related to the Healthy Airport Ordinance.

**10.9 First Source Hiring Program.** Contractor must comply with all of the applicable provisions of the First Source Hiring Program, Chapter 83 of the San Francisco Administrative Code, that apply to this Agreement; and Contractor is subject to the enforcement and penalty provisions in Chapter 83.

**10.10 Alcohol and Drug-Free Workplace.** City reserves the right to deny access to, or require Contractor to remove from, City facilities personnel of any Contractor or subcontractor who City has reasonable grounds to believe has engaged in alcohol abuse or illegal drug activity which in any way impairs City's ability to maintain safe work facilities or to protect the health and well-being of City employees and the general public. City shall have the right of final approval for the entry or re-entry of any such person previously denied access to, or removed from, City facilities. Illegal drug activity means possessing, furnishing, selling, offering, purchasing, using or being under the influence of illegal drugs or other controlled substances for which the individual lacks a valid prescription. Alcohol abuse means possessing, furnishing, selling, offering, or using alcoholic beverages, or being under the influence of alcohol.

**10.11 Limitations on Contributions.** By executing this Agreement, Contractor acknowledges its obligations under Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with, or is seeking a contract with, any department of 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, for a grant, loan or loan guarantee, or for a development agreement, from making any campaign contribution to (i) a City elected official if the contract must be approved by that official, a board on which that official serves, or the board of a state agency on which an appointee of that official serves; (ii) a candidate for that City elective office; or (iii) a committee controlled by such elected official or a candidate for that office, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve months after the date City approves the contract. 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 ten percent (10%) in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Contractor certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the contract, and has provided the names of the persons required to be informed to the City department with whom it is contracting.

**10.12 Slavery Era Disclosure - Reserved.**

**10.13 Working with Minors - Reserved.**

#### 10.14 **Consideration of Criminal History in Hiring and Employment Decisions.**

10.14.1 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 <http://sfgov.org/olse/fco>. 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.

10.14.2 The requirements of Chapter 12T shall only apply to a Contractor’s or subcontractor’s operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco which excludes Airport property. Chapter 12T shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

#### 10.15 **Nonprofit Contractor Requirements.**

10.15.1 **Good Standing.** If Contractor is a nonprofit organization, Contractor represents that it is in good standing with the California Attorney General’s Registry of Charitable Trusts and will remain in good standing during the term of this Agreement. Contractor shall immediately notify City of any change in its eligibility to perform under the Agreement. Upon City’s request, Contractor shall provide documentation demonstrating its compliance with applicable legal requirements. If Contractor will use any subcontractors to perform the Agreement, Contractor is responsible for ensuring they are also in compliance with the California Attorney General’s Registry of Charitable Trusts for the duration of the Agreement. Any failure by Contractor or its subcontractors to remain in good standing with applicable requirements shall be a material breach of this Agreement.

10.15.2 **Public Access to Nonprofit Records and Meetings.** If Contractor is a nonprofit organization, provides Services that do not include services or benefits to City employees (and/or to their family members, dependents, or their other designated beneficiaries), and receives a cumulative total per year of at least \$250,000 in City or City-administered funds, Contractor must comply with the City’s Public Access to Nonprofit Records and Meetings requirements, as set forth in Chapter 12L of the San Francisco Administrative Code, including the remedies provided therein.

10.16 **Food Service Waste Reduction Requirements.** Contractor shall comply with the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including but not limited to the remedies for noncompliance provided therein.

#### 10.17 **Distribution of Beverages and Water.**

10.17.1 **Sugar-Sweetened Beverage Prohibition.** The scope of Services in this Agreement includes the sale, provision, or distribution of beverages to or on behalf of City. Contractor agrees that it shall not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Agreement.

10.17.2 **Packaged Water Prohibition.** The scope of Services includes the sale, provision, or distribution of water to or on behalf of City. Contractor agrees that it shall not sell, provide, or otherwise distribute Packaged Water, as defined by San Francisco Environment Code Chapter 24, as part of its performance of this Agreement.



**10.18 Tropical Hardwood and Virgin Redwood Ban.** Under the San Francisco Environment Code Section 804(b), City urges Contractor not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

## **Article 11 General Provisions**

**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: Christopher Birch, Director, Guest Experience, P.O. Box 8097, San Francisco, CA 94128, (650) 821-5247, [christopher.birch@flysfo.com](mailto:christopher.birch@flysfo.com)

To Contractor: Tanitsorn Pengcharoen, President, Hallmark Aviation Services L. P., 5757 W. Century Boulevard, Suite 860, Los Angeles, CA 90045, 310-215-7213, [tanitsornpengcharoen@hallmark-aviation.com](mailto:tanitsornpengcharoen@hallmark-aviation.com)

Any notice of default or data breach must be sent by certified mail or other trackable written communication, and also by e-mail, with the sender using the receipt notice feature. Either Party may change the address to which notice is to be sent by giving written notice thereof to the other Party at least ten (10) days prior to the effective date of such change. 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.

### **11.2 Compliance with Laws Requiring Access for People with Disabilities.**

**11.2.1** Contractor acknowledges that, under 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 people with disabilities. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against people with disabilities 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.

### **11.2.2 Information and Communication Technology Accessibility – Reserved.**

**11.3 Incorporation of Recitals.** The matters recited above are hereby incorporated into and made part of this Agreement.

**11.4 Sunshine Ordinance.** Contractor acknowledges that this Agreement and all records related to its formation, Contractor's performance of Services, and City's payment are subject to the California Public Records Act, (California Government Code § 7920.000 et seq.), and the San Francisco Sunshine Ordinance, (San Francisco Administrative Code Chapter 67). Such records are subject to public inspection and copying unless exempt from disclosure under federal, state, or local law.

**11.5 Modification of this 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 cooperate with Department to submit to the Director of CMD any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than twenty percent (20%).

### **11.6 Dispute Resolution Procedure.**

**11.6.1 Negotiation; Alternative Dispute Resolution.** The Parties will attempt in good faith to resolve any dispute or controversy arising out of or relating to the performance of services under this Agreement. Disputes will not be subject to binding arbitration. The status of any dispute or controversy notwithstanding, Contractor shall proceed diligently with the performance of its obligations under this Agreement in accordance with the Agreement and the written directions of City. Neither Party will be entitled to legal fees or costs for matters resolved under this Section.

**11.6.2 Government Code Claim Requirement.** No suit for money or damages may be brought against City until a written claim therefor has been presented to and rejected by City in conformity with the provisions of San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq. Nothing set forth in this Agreement shall operate to toll, waive or excuse Contractor's compliance with the California Government Code Claim requirements set forth in San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq.

**11.7 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.

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

**11.9 Entire Agreement.** This contract including the appendices, sets forth the entire Agreement between the Parties, and supersedes all other oral or written provisions. This Agreement may be modified only as provided in Section 11.5, "Modification of this Agreement."

**11.10 Compliance with Laws.** Contractor shall keep itself fully informed of City's Charter, codes, ordinances and duly adopted rules and regulations of 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.

**11.11 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 (i) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (ii) 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.

**11.12 Cooperative Drafting.** This Agreement has been drafted through a cooperative effort of City and Contractor, 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.

**11.13 Order of Precedence.** The Parties agree that this Agreement, including all appendices, sets forth the Parties' complete agreement. If the Appendices to this Agreement include any standard printed terms from Contractor, Contractor agrees that in the event of discrepancy, inconsistency, gap, ambiguity, or conflicting language between City's terms and Contractor's printed terms attached, City's terms in this Agreement shall take precedence, followed by the procurement issued by the department (if any), Contractor's proposal, and Contractor's printed terms, respectively. Any hyperlinked terms included in Contractor's terms shall have no legal effect.

**11.14 Notification of Legal Requests.** Contractor shall immediately notify City upon receipt of any subpoenas, service of process, litigation holds, discovery requests and other legal requests ("Legal Requests") related to any City Data under this Agreement, and in no event later than twenty-four (24) hours after Contractor receives the request. Contractor shall not respond to Legal Requests related to City

without first notifying City other than to notify the requestor that the information sought is potentially covered under a non-disclosure agreement. Contractor shall retain and preserve City Data in accordance with City's instruction and requests, including, without limitation, any retention schedules and/or litigation hold orders provided by City to Contractor, independent of where City Data is stored.

## **Article 12      Airport Commission Specific Terms**

**12.1      Airport Commission Rules and Regulations.** Contractor agrees to comply with the Airport Commission's Rules and Regulations for the San Francisco International Airport ("Airport Rules and Regulations"), as amended from time to time. A copy of the current Rules and Regulations can be found at: <http://www.flysfo.com/about-sfo/the-organization/rules-and-regulations>.

**12.2      Airport Intellectual Property.** Under 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. No proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport in connection with this Agreement (including subcontractors and subtenants) may use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Airport Director's prior written consent.

**12.3      Labor Peace/Card Check Rule.** Without limiting the generality of other provisions in this Agreement requiring Contractor to comply with all Airport Rules and Regulations, for all Covered Contracts, Contractor shall comply with the Airport's Labor Peace/Card Check Rule, a revised version of which was adopted as Rule 12.1 on February 7, 2023 by Airport Commission Resolution No. 23-0018 (as amended the "Labor Peace/Card Check Rule"). To comply with the Labor Peace/Card Check Rule, each Covered Employer shall comply with the Labor Peace/Card Check Rule, Section C, Covered Employer Duties, Items 1-13. If the Airport determines that Contractor violated the Labor Peace/Card Check Rule, the Airport shall have the option to terminate this Agreement, in addition to exercising all other remedies available to the Airport. Capitalized terms not defined in this provision are defined in the Labor Peace/Card Check Rule.

**12.4      Federal Fair Labor Standards Act.** This Agreement incorporates by reference the provisions of 29 USC Section 201, the Federal Fair Labor Standards Act ("FLSA"), with the same force and effect as if set forth in this Agreement. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers. Contractor has full responsibility to monitor compliance with the FLSA and its implementing regulations. Contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

**12.5      Occupational Safety and Health Act of 1970.** This Agreement incorporates by reference the requirements of 29 CFR Section 1910, Occupational Safety and Health Act of 1970, with the same force and effect as if set forth in this Agreement. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Contractor retains full responsibility to monitor its compliance and their subcontractors' compliance with the applicable requirements of the Occupational Safety and Health Act of 1970. Contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

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

**12.6.1 Compliance with Regulations.** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

**12.6.2 Nondiscrimination.** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

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

**12.6.4 Information and Reports.** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Airport or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Airport or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

**12.6.5 Sanctions for Noncompliance.** In the event of a Contractor's noncompliance with the Non-discrimination provisions of this contract, the Airport will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- (a) Withholding payments to the Contractor under the contract until the contractor complies; and/or
- (b) Cancelling, terminating, or suspending a contract, in whole or in part.

**12.6.6 Incorporation of Provisions.** The Contractor will include the provisions of paragraphs 12.6.1 through 12.6.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Airport or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Airport to enter into any litigation to protect the interests of the Airport. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

**12.6.7 Title VI List of Pertinent Nondiscrimination Acts and Authorities.** During the performance of this contract, Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC §2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USC §4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 USC. §794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC §6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-259), (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, *et seq*) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 USC §47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (“LEP”). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. 74087 (2005));
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681 *et seq.*).

**12.7 Quality Standards Program.** This Agreement is subject to the Airport's Quality Standards Program (QSP), which applies to firms which employ personnel involved in performing services which directly impact safety and/or security at the Airport ("QSP Covered Employers"). QSP Covered Employers are required to maintain a minimum level of compensation and benefits offering to employees engaged in services covered under the QSP, among other things. With certain limited exceptions, QSP Covered Employers must pay a wage rate at least equal to the QSP wage rate, which is higher than the wage rate required under the Minimum Compensation Ordinance (see Section 10.7 above) and provide health care benefits compliant with the Healthy Airport Ordinance (HAO), which is part of the Health Care Accountability Ordinance (see Section 10.8 above). Information about the HAO can be found at <https://www.sf.gov/information/healthy-airport-ordinance>. The Airport's Worker Retention Policy also applies to any contracts subject to the QSP (see Section 12.8 below). The QSP may be found at: <https://www.flysfo.com/about/airport-operations/policies-regulations/rules-and-regulations>. The Airport's Social Responsibility Office oversees the QSP. For more information, please send an email to [qsp@flysfso.com](mailto:qsp@flysfso.com) or call (650) 821-1003.

**12.8 Worker Retention Policy.** This Agreement is subject to the Airport’s Worker Retention Policy, which is incorporated into the Airport Rules and Regulations as Appendix D, and applies to Airport contractors, tenants, and permitted operators, and their respective subcontractors, that employ

workers who perform essential services at the Airport on a regular and ongoing basis for the benefit of the travelling public, which services include but are not limited to services for parking garage and curbside management operations, information booths, concessions (food & beverage, retail and passenger services), the SFO Medical Clinic, intra-Airport transportation services, on-airport rental car operations, and services by third party service providers subject to the QSP, but excluding airlines. Contractor shall require all levels of subcontractors under this Agreement to comply with the obligations imposed by the Airport's Worker Retention Policy. More information may be found at <https://www.flysfo.com/about/airport-operations/policies-regulations/rules-and-regulations>.

## **Article 13 Data and Security**

### **13.1 Nondisclosure of Private, Proprietary or Confidential Information.**

**13.1.1 Protection of Private Information.** If this Agreement requires City to disclose "Private Information" to Contractor within the meaning of San Francisco Administrative Code Chapter 12M, Contractor and subcontractor shall use such information only in accordance with the restrictions stated in Chapter 12M and in this Agreement and only as necessary in performing the Services. Contractor is subject to the enforcement and penalty provisions in Chapter 12M.

**13.1.2 City Data; Confidential Information.** In the performance of Services, Contractor may have access to, or collect on City's behalf, City Data, which may include proprietary or Confidential Information that if disclosed to third parties may damage City. If City discloses proprietary or Confidential Information to Contractor, or Contractor collects such information on City's behalf, such information must be held by Contractor in confidence and used only in performing the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary or Confidential Information.

**13.2 Payment Card Industry ("PCI") Requirements.** Contractors providing services and products that handle, transmit or store cardholder data, are subject to the following requirements:

**13.2.1** Applications shall be compliant with the Payment Application Data Security Standard (PA-DSS) and validated by a Payment Application Qualified Security Assessor (PA-QSA). A Contractor whose application has achieved PA-DSS certification must then be listed on the PCI Councils list of PA-DSS approved and validated payment applications."

**13.2.2** Gateway providers shall have appropriate Payment Card Industry Data Security Standards (PCI DSS) certification as service providers (<https://www.pcisecuritystandards.org/index.shtml>). Compliance with the PCI DSS shall be achieved through a third-party audit process. The Contractor shall comply with Visa Cardholder Information Security Program (CISP) and MasterCard Site Data Protection (SDP) programs.

**13.2.3** For any Contractor that processes personal identification number ("PIN") Debit Cards, payment card devices supplied by Contractor shall be validated against the PCI Council PIN Transaction Security (PTS) program.

**13.2.4** For items 13.2.1 to 13.2.3 above, Contractor shall provide a letter from their qualified security assessor (QSA) affirming their compliance and current PCI or PTS compliance certificate.

**13.2.5** Contractor shall be responsible for furnishing City with an updated PCI compliance certificate thirty (30) calendar days prior to its expiration.

**13.2.6 Bank Accounts.** Collections that represent funds belonging to City and County of San Francisco shall be deposited, without detour to a third party's bank account, into a City and County of San Francisco bank account designated by the Office of the Treasurer and Tax Collector.

### **13.3 Business Associate Agreement - Reserved.**

### 13.4 **Management of City Data.**

**13.4.1 Use of City Data.** Contractor agrees to hold City Data received from, or created or collected on behalf of, City, in strictest confidence. Contractor shall not use or disclose City Data except as permitted or required by the Agreement or as otherwise authorized in writing by City. Any work by Contractor or its authorized subcontractors using, or sharing or storage of, City Data outside the continental United States is prohibited, absent prior written authorization by City. Access to City Data must be strictly controlled and limited to Contractor's staff assigned to this project on a need-to-know basis only. City Data shall not be distributed, repurposed or shared across other applications, environments, or business units of Contractor. Contractor is provided a limited non-exclusive license to use City Data solely for performing its obligations under the Agreement and not for Contractor's own purposes or later use. Nothing herein shall be construed to confer any license or right to City Data, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third-party. Unauthorized use of City Data by Contractor, subcontractors or other third-parties is prohibited. For purpose of this requirement, the phrase "unauthorized use" means the data mining or processing of data and/or machine learning from the data, stored or transmitted by the service, for unrelated commercial purposes, advertising or advertising-related purposes, or for any purpose that is not explicitly authorized other than security or service delivery analysis.

**13.4.2 Disposition of City Data.** Upon request of City or termination or expiration of this Agreement, Contractor shall promptly, but in no event later than thirty (30) calendar days, return all City Data given to, or collected or created by Contractor on City's behalf, which includes all original media. Once Contractor has received written confirmation from City that City Data has been successfully transferred to City, Contractor shall within ten (10) business days clear or purge all City Data from its servers, any hosted environment Contractor has used in performance of this Agreement, including its subcontractor's environment(s), work stations that were used to process the data or for production of the data, and any other work files stored by Contractor in whatever medium. Contractor shall provide City with written certification that such purge occurred within five (5) business days of the purge. Secure disposal shall be accomplished by "clearing," "purging" or "physical destruction," in accordance with National Institute of Standards and Technology ("NIST") Special Publication 800-88 or most current industry standard.

**13.5 Ownership of City Data.** The Parties agree that as between them, all rights, including all intellectual property rights, in and to City Data and any derivative works of City Data is the exclusive property of City.

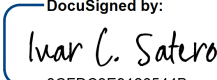
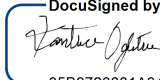
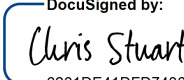
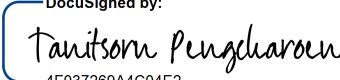
**13.6 Loss or Unauthorized Access to City's Data; Security Breach Notification.** Contractor shall comply with all applicable laws that require the notification to individuals in the event of unauthorized release of PII, PHI, or other event requiring notification. Contractor shall notify City of any actual or potential exposure or misappropriation of City Data (any "Leak") within twenty-four (24) hours of the discovery of such, but within twelve (12) hours if the Data Leak involved PII or PHI. Contractor, at its own expense, will reasonably cooperate with City and law enforcement authorities to investigate any such Leak and to notify injured or potentially injured parties. The remedies and obligations set forth in this subsection are in addition to any other City may have. City shall conduct all media communications related to such Leak.

## **Article 14 MacBride And Signature**

**14.1 MacBride Principles – Northern Ireland.** The provisions of San Francisco Administrative Code Chapter 12F are incorporated herein by this reference and made part of this Agreement. By signing this Agreement, Contractor confirms that Contractor has read and understood that City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.



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

<p><b>CITY</b> AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO</p> <p>By:  Ivar C. Satero, Airport Director</p> <p>Attest:</p> <p>By:  Kantrice Ogletree, Secretary Airport Commission</p> <p>Resolution No: <u>24-0119</u></p> <p>Adopted on: <u>June 4, 2024</u></p> <p>Approved as to Form:</p> <p>David Chiu City Attorney</p> <p>By:  Christopher Stuart, Deputy City Attorney</p>	<p><b>CONTRACTOR</b></p> <p> Authorized Signature</p> <p>Tanitsorn Pengcharoen, President Hallmark Aviation Services L. P. 5757 W. Century Boulevard, Suite 860 Los Angeles, CA 90045 310-215-7213</p> <p>City Supplier Number: 000019096 Federal Employer ID Number: 95-4217627</p>
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### Appendices

- A: Scope of Services
- B: Calculation of Charges
- C: San Francisco Labor and Employment Code Update\*



Appendix A  
Scope of Services

1. Airport Information Desk Program

**1.1 Background.** Contractor shall provide guests and other users of the Airport with information regarding Airport services and amenities, transportation options, trip planning services, wayfinding assistance, and guidance on the availability and access of airport and partner services. Airport information desk staff are also expected to provide useful information and an empathetic response to guests who approach desks with travel complications and complaints. While all information desks disseminate similar information, services can depend on the desk’s location. Arrival level desks will offer transportation and Bay Area visitor attraction information and will also vend transit products. Departure level desks focus primarily on departing customer needs. Contractor shall staff all arrival level information desks for the full operational day and will offer early and late day support of the Airport’s departure level information desks which are otherwise staffed by the Airport’s Travelers’ Information Volunteers Program. Staff will also provide information and directional support at locations unaffiliated with stationary desks such as transfer points and various landside and airside areas.

As of July 1, 2024, the required staffing shall be:

Terminal 1 Arrivals Level, B desk	Daily, 8:00am – 12:00am
Terminal 1 Arrivals Level, C desk	Daily, 8:00am – 12:00am
Terminal 1 Arrivals Level, D desk	Daily, 8:00am – 12:00am
Terminal 1 Arrivals Level, E desk	Daily, 8:00am – 12:00am
Terminal 1 Arrivals Level, F desk	<i>coming in 2026-27</i>
Int’l Terminal Arrivals Level, A desk	Daily, 8:00am – 12:00am
Int’l Terminal Arrivals Level, G desk	Daily, 7:00am – 10:00pm
Int’l Terminal Departure Level ‘BART’	Daily, 8:00am – 12:00am

Contractor shall also provide scheduled supplementary staffing at the Airport’s departure level information desks, without point of sale (“POS”) activity, as follows:

Terminal 1 Departures Level, B1 desk	Daily, 4:00am -8:00am, 8:00pm- 12:00am
Terminal 1 Departures Level, B2 desk	Daily, 4:00am -8:00am, 8:00pm- 12:00am
Terminal 2 Departures Level, D desk	Daily, 4:00am -8:00am, 8:00pm- 12:00am
Terminal 3 Departures Level, F desk Pre-Sec	<i>coming in 2026-27</i>
Terminal 3 Departures Level, F desk Post Sec	Daily, 4:00am -8:00am, 8:00pm- 12:00am
Int’l Terminal Departures Level, A1 desk	Daily, 4:00am -8:00am, 8:00pm- 12:00am
Int’l Terminal Departures Level, A2 desk	Daily, 4:00am -8:00am, 8:00pm- 12:00am
Int’l Terminal Departures Level, G1 desk	Daily, 4:00am -8:00am, 8:00pm- 12:00am
Int’l Terminal Departures Level, G2 desk	Daily, 4:00am -8:00am, 8:00pm- 12:00am
Mobile Locations, Airport-Wide	Daily, 4:00am - 12:00am

1.2 Services to be Performed

1.2.1 Provide trained office staff and Information Desk agents who are articulate, courteous, empathetic, accurate, and impartial.

1.2.2 Prepare, maintain, and update written reference manuals, as necessary, on ground transportation, Airport facilities and services, Bay Area hotels, religious institutions, consulates, embassies, civic and social organizations. Create a single process by which contracted and volunteer information staff are educated and kept up to date about airport characteristics and conditions.

1.2.3 Provide visitors with information regarding Bay Area public exhibits, events, amusements, sightseeing attractions, and SFO information, as well as other business, social and civic referrals.

1.2.4 Train and update Information Desk agents on changing conditions and services, as necessary.

1.2.5 Train office staff and Information Desk agents to answer questions regarding ground transportation and Airport facilities and services; operate a point of sales system; disseminate accurate brochures; and support the Airport's BART Employee Discount Program as needed.

1.2.6 Order and sell public transit passes, tickets, and tokens that are provided by the SFMTA, SamTrans and BART. Contractor shall contract with SFMTA, SamTrans, BART, and Clipper, and have obtained an appropriate supply of tickets, trained their staff, and set up cash boxes, transaction record sheets, receipts, accounting procedures, credit/debit card merchant accounts, Clipper terminals, etc. in order to sell the fare instruments at the Information Desks and reconcile transit sales accounts in order to start transit pass sales at the Information Desks on July 1, 2024.

1.2.7 Accept lost and found items from staff and public and advise Lost and Found of their presence.

1.2.8 Administer BART Voucher Programs in collaboration with BART, if applicable. The program involves the exchange of special BART tickets for vouchers pre-purchased on the internet by passengers.

1.2.9 Stock information brochures and desk supplies at all airport Information Desks, including volunteer staffed desks, in intervals necessary to keep well provisioned or as designated by the Airport.

1.2.10 Provide multi-lingual employees to assist non-English speaking customers and use Language Line Services or other approved vendors for those in need.

1.2.11 Train office staff and Information Desk agents to answer questions regarding airline arrivals/departures using the Airport's Flight Information Display System (FIDS).

1.2.12 Establish quality control procedures for the dissemination of courteous, impartial, accurate information.

1.2.13 Respond to complaints from the public and/or Airport staff in a timely manner.

1.2.14 Order and display public information, including sightseeing brochures, posters announcing museum exhibits or special events, as requested and approved by the Airport.

1.2.15 Copy and distribute current regional transportation handouts, as updated by the Airport.

1.2.16 Maintain desks in clean, attractive, and orderly manner.

1.2.17 Maintain inventory, order, and distribute Airport-approved uniforms, fit personnel for correct sizes, keep uniform pieces in good repair and replaced within the Airport's replacement timeline requirements. Coordinate uniform inventory needs with the Airport's Customer Care Department.

1.2.18 Obtain and maintain current Federally-mandated identification badges for all Airport-based personnel and establish standards for on-the-job appearance and behavior.

1.2.19 Maintain records for Airport review regarding the number of persons served, and other information as requested on an hourly basis, by desk. Provide a weekly report electronically to the project manager and any additional reports as requested.

1.2.20 Provide well-qualified managers and supervisors who oversee Information Desk agents during all operating hours.

1.2.21 Hire the equivalent of a maximum three (3) FTE of Volunteer Coordinator staff to oversee and implement the Travelers Information Volunteers Program whose primary function is volunteer support, recruitment and program administration.

1.2.22 Coordinate with Travelers Information Volunteers Program personnel in providing services and facility updates to staff.

1.2.23 Provide periodic information, guest service, and assistance to other Airport Divisions and programs as requested by Airport staff.

1.2.24 Provide information to guests and Airport employees in an emergency as instructed and trained by Airport staff.

1.2.25 Submit reports as required by the Airport Director and the Airport Commission.

1.2.26 Perform other related ancillary guest service functions on an as-need basis as required by the Airport Director or his designee.

## **2. Federal Inspection Services (FIS) and Terminal Area Support**

**2.1 Background.** Contractor shall perform tasks that ensure the efficient movement of guests through the FIS, help promote the shortest wait times possible and facilitate the use of technology and special entry programs within the FIS. Staff will assist arriving passengers with directional wayfinding, queue management, and language interpretation throughout the international arrivals process during FIS operational hours. Support tasks will also include participating in regular and unscheduled briefings and working with Customs and Border Protection (CBP), the Airport and other staff on process improvements.

### **2.2 Services to be Performed**

2.2.1 Provide trained staff who are articulate, courteous, and welcoming during FIS operational hours. Typically, the FIS operational hours are 6:00 am – 1:30 am on Boarding Area 'G' and 7:30 am – 10:30 pm on Boarding Area 'A'; however, these times could vary, with or without advance notice, due to airline schedule changes or delays.

2.2.2 Provide a staffing plan based on airline flights schedules. Additional staff will be required at peak times, but as a minimum per boarding area during FIS operational hours, the Ambassadors shall be staffed at the following locations:

- Inside the sterile corridor of each boarding area to welcome and provide wayfinding assistance.
- At the entrance of the passport processing area to provide wayfinding assistance and manage the stanchion layout and queuing lanes.
- In the baggage carousel area to provide wayfinding assistance.
- As directed, at transfer points outside the FIS
- Other areas as assigned or construction activities require

2.2.3 Staff will employ their language skills to assist customers in need, respond to their concerns, or respond to Custom's request for foreign language assistance in processing areas.

2.2.4 Provide agents in the international connections hallway to assist connecting guests with onward directional wayfinding at both the A and G ends of the corridors.

2.2.5 Attend/hold a turnover briefing to prepare for the current shift. This will include checking in with Customer Care and AIOC staff.

2.2.6 Visit each area assigned via the daily assignment guide providing assistance to guests, logging observed facility or service issues, responding to Airport direction for coordinated assistance.

2.2.7 Log daily successes and service failures electronically.

2.2.8 Log facility issues using SFO Co-Pilot App.

2.2.9 Support Information Desk Ambassadors at the assigned area.

2.2.10 Ensure two visits per shift to the Airport's Rental Car Center, Domestic Garages, and Long-Term Parking Garage.

2.2.11 Report on any safety, security, or homelessness issues that may affect the customer experience.

2.2.12 As able, fill any accessibility gaps for guests by facilitating communication with the air carrier or wheelchair providers.

2.2.13 Visit and log condition of all the airport's amenities in the assigned areas.

2.2.14 Perform other duties as assigned.

2.2.15 Perform other related ancillary guest service functions on an as-need basis as required by the Airport Director or his designee

3 **Report.** Contractor shall submit written reports as requested by the Airport Commission. Format for the content of such reports shall be determined by the Airport Commission. 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 Airport will be the person identified in Agreement at Section 11.1, Notices to the Parties. Such individual shall be the Contractor's primary point of contact for all purposes under this Agreement.

**5. 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.

## Appendix B Calculation of Charges

**Project Cost.** In accordance with Article 3 of this Agreement, Contractor's total compensation under this Agreement is detailed below, inclusive of all costs required to complete all work specified in Appendix A. In no event shall the total costs under this Agreement exceed the amount provided in Article 3, Section 3.3, of this Agreement.

Direct Labor Costs Per Employee																
<p>Direct Labor costs per employee (Front Line Staff and Supervisor Staff only) for all positions proposed for the services to be performed at the Airport. "Direct Labor Costs" must include the hourly wage and all benefits costs directly associated with each position as pre-populated on the Fee Proposal Form, separated by Front Line Staff and Supervisor Staff. The Labor Costs Per Employee as set forth in the form must include the following:</p> <ul style="list-style-type: none"> <li>Estimated number of full-time positions for each position title (the estimated number must be either a whole number or half of a whole number i.e., 1.0, 1.5, 2.0)</li> <li>Hourly Wage, which can be listed as an hourly wage range (ex. \$21.00 - \$23.25) for each position</li> <li>Number of Paid Days Off</li> <li>Benefits costs for Health Insurance, Dental Insurance, Vision Insurance, Retirement, Workers Compensation, Payroll Tax, Life Insurance, and Disability that the selected Contractor will provide an employee. Provide employee benefits per position as follows: <ul style="list-style-type: none"> <li>Employee</li> <li>Employee + 1</li> <li>Employee + 2 (or more also known as Family)</li> </ul> </li> <li>Other costs/benefits paid specifically refers to expenditures directly made for employee benefits, encompassing such items as healthcare, wellness programs, and additional employee-centric amenities which are not already explicitly stated on the form, and which are paid or otherwise provided directly to the employee.</li> </ul> <p>Benefit costs should either be stated as monthly or hourly according to the Contractor's payroll practices. The City will only reimburse actual costs with supporting documentation for the authorized labor and benefit costs.</p>																
Front Line Staff					*Note costs per hour OR per month based on what will actually be paid on an employee's behalf											
Position Title	No. of Full-Time Positions	Hourly Wage (paid to employee)	Number of Paid Days Off	Health Plan Type	Hourly Health	Monthly Health	Hourly Dental	Monthly Dental	Hourly Vision	Monthly Vision	Hourly Retirement	Monthly Retirement	Monthly Workers Compensation	Monthly Payroll Tax Costs	Monthly Life Insurance	Total Hourly Labor Cost
1 FIS Ambassador*	10	\$21.72	7	EE Only		\$629.00		\$0.00		\$0.00		\$51.69	\$51.87	\$160.40	\$0.00	\$25.44
	4	\$21.72	7	EE + 1		\$1,321.36		\$0.00		\$0.00		\$51.69	\$51.87	\$160.40	\$0.00	\$28.33
	2	\$21.72	7	EE + 2		\$1,887.64		\$0.00		\$0.00		\$51.69	\$51.87	\$160.40	\$0.00	\$30.69
2 Landside Ambassador*	15	\$21.72	7	EE Only		\$629.00		\$0.00		\$0.00		\$51.69	\$51.87	\$160.40	\$0.00	\$25.44
	0	\$21.72	7	EE + 1		\$1,321.36		\$0.00		\$0.00		\$51.69	\$51.87	\$160.40	\$0.00	\$28.33
	0	\$21.72	7	EE + 2		\$1,887.64		\$0.00		\$0.00		\$51.69	\$51.87	\$160.40	\$0.00	\$30.69
3 Airside Ambassador*	10	\$21.72	7	EE Only		\$629.00		\$0.00		\$0.00		\$51.69	\$51.87	\$160.40	\$0.00	\$25.44
	4	\$21.72	7	EE + 1		\$1,321.36		\$0.00		\$0.00		\$51.69	\$51.87	\$160.40	\$0.00	\$28.33
	2	\$21.72	7	EE + 2		\$1,887.64		\$0.00		\$0.00		\$51.69	\$51.87	\$160.40	\$0.00	\$30.69
4 Information Desk - Ambassador	10	\$23.00	9	EE Only	\$3.54		\$0.39		\$0.00		\$0.92		\$1,196.00	\$4,385.30	\$578.91	\$48.69
	4	\$23.00	9	EE + 1	\$5.27		\$0.39		\$0.00		\$0.92		\$478.40	\$1,754.12	\$231.56	\$33.29
	11	\$23.00	9	EE + 2	\$8.10		\$0.39		\$0.00		\$0.92		\$1,315.60	\$4,823.83	\$636.80	\$51.27
* Lost & Found Staff included																

Supervisor Staff					*Note costs per hour OR per month based on what will actually be paid on an employee's behalf											
Position Title	No. of Full-Time Positions	Hourly Wage (paid to employee)	Number of Paid Days Off	Health Plan Type (Select Plan Type)	Hourly Health	Monthly Health	Hourly Dental	Monthly Dental	Hourly Vision	Monthly Vision	Hourly Retirement	Monthly Retirement	Monthly Workers Compensation	Monthly Payroll Tax Costs	Monthly Life Insurance	Total Hourly Labor Cost
1 FIS Supervisors*	2	\$21.72	7	EE Only		\$629.00		\$0.00		\$0.00		\$51.69	\$51.87	\$160.40	\$0.00	\$25.44
	1	\$21.72	7	EE + 1		\$1,321.36		\$0.00		\$0.00		\$51.69	\$51.87	\$160.40	\$0.00	\$28.33
	1	\$21.72	7	EE + 2		\$1,887.64		\$0.00		\$0.00		\$51.69	\$51.87	\$160.40	\$0.00	\$30.69
2 Volunteer Coordinators	1	\$43.32	9	EE Only	\$8.63		\$0.51		\$0.00		\$1.80		\$351.00	\$1,287.00	\$169.90	\$50.90
	0	\$43.32	9	EE + 1	\$8.63		\$0.51		\$0.00		\$1.80		\$0.00			\$43.37
	1	\$43.32	9	EE + 2	\$8.63		\$0.51		\$0.00		\$1.80		\$234.00	\$858.00	\$113.27	\$48.39
* Lost & Found Staff included																

Other Direct Costs - Authorized Reimbursables			
The following costs are authorized for reimbursement. No other costs are reimbursable.			
		Monthly Costs	Annual Costs
1	Employee Recognition and Reward	\$985.00	\$11,820.00
2	Communication Devices and Fees	\$2,249.48	\$26,993.76
3	Office and Desk Supplies	\$758.33	\$9,099.96
4	Storage Safe	\$375.00	\$4,500.00
5	Staff Uniforms	\$2,076.78	\$24,921.36
6	Printing	\$125.00	\$1,500.00
7	POS System Purchase and Card Swipe	\$350.00	\$4,200.00
8	POS System Maintenance Support	\$150.00	\$1,800.00
9	POS Webportal Support	\$200.00	\$2,400.00
10	Technical Support Consultant	\$0.00	\$0.00
11	ADM Guest Support Supplies	\$1,000.00	\$12,000.00
12	Dry Cleaning	\$1,036.67	\$12,440.04
13	Shipping	\$40.00	\$480.00
14	Performance Bond	\$4,166.67	\$50,000.04
	<b>Total</b>	<b>\$13,512.93</b>	<b>\$162,155.16</b>

Monthly Management Fee		
<p>The Monthly Management Fee shall constitute full compensation to the Contractor for any and all management fees, profit, overhead, administrative costs and non-reimbursable costs associated with the administration of the Contract and performance of services under this Contract. The Management Fee shall include all costs associated with principals, managers, assistant managers, and administrative staff. The Monthly Management Fee does not include Direct Labor Costs, Other Direct Costs - Authorized Reimbursables, or the Mobilization Costs. The Monthly Management Fee will be fixed, for the entire of the Agreement, which will be the original term of one (1) year and three options to extend the term for three (3) additional years for a total of four (4) years.</p>		
<b>Monthly Fee</b>	<b>\$119,088</b>	
	<b>Annual Fee</b>	<b>\$1,429,056</b>

## Appendix C

### San Francisco Labor and Employment Code Update\*

\*A number of the City's contracting provisions have been redesignated in a new Labor and Employment Code, which is operative as of January 4, 2024. The redesignation did not change the substance or meaning of the provisions; it has simply changed where the provisions can be found and how they are referred to.

#### Cross Reference Table for Citations in AIR-600 Professional Services Agreement

<b>Section of AIR-600 Contract Template</b>	<b><u>Old Location:</u> San Francisco ADMINISTRATIVE CODE</b>	<b><u>New Location:</u> San Francisco LABOR &amp; EMPT CODE</b>	<b>Subject Matter</b>
3.6.1 (Covered Services)	Chapter 21C	Article 102	Miscellaneous Prevailing Wages Requirements
3.6.7 (Compliance Monitoring)	Chapter 21C	Article 102	Miscellaneous Prevailing Wages Requirements
10.4 (Consideration of Salary History)	Chapter 12K	Article 141	Salary History
10.5.1 (Nondiscrimination in Contracts)	Chapter 12B Chapter 12B.2	Article 131 Article 131.2	Nondiscrimination in Contracts
	Chapter 12C Chapter 12C.3	Article 132 Article 132.3	Nondiscrimination in Property Contracts
10.5.2 (Nondiscrimination in Employee Benefits)	Chapter 12B.2	Article 131.2	Nondiscrimination in Employee Benefits
10.7 (Minimum Compensation Ordinance)	Chapter 10.7	Article 111	Minimum Compensation Ordinance
10.8 (Health Care Accountability Ordinance)	Chapter 12Q Chapter 12Q.3	Article 121 Article 121.3	Health Care Accountability Ordinance
10.14 (Consideration of Criminal History in Hiring and Employment Decisions) 10.14.1 10.14.2	Chapter 10.14	Article 142	Consideration of Criminal History in Hiring and Employment Decisions