

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

Modification No. 5

THIS MODIFICATION (this "Modification") is made as of January 1, 2019 in San Francisco, California, by and between **SFO Hotel Shuttle, Inc.** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission, hereinafter referred to as "**Commission.**"

RECITALS

WHEREAS, on June 7, 2011 by Resolution No. 234-11 and on June 5, 2012 by Resolution No. 206-12, the Board of Supervisors approved the contracting out of shuttle bus services concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, on October 9, 2012, by Resolution Number 12-0220, the Commission awarded Contract No. 9254 to SFO Hotel Shuttle Bus Company for the period of December 1, 2012 through June 30, 2016 in an amount not-to-exceed \$39,000,000; and

WHEREAS, on November 20, 2012 by Resolution No. 421-12, the Board of Supervisors approved Contract No. 9254 under San Francisco Charter Section 9.118 for the period of December 1, 2012 through June 30, 2022, in an amount not-to-exceed \$105,000,000; and

WHEREAS, on June 3, 2014 by Resolution No. 182-14, the Board of Supervisors approved the continuing contracting out of shuttle bus services for FY 2014/15 & FY 2015/16, concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, on May 15, 2015, the Airport Director approved the Assignment and Assumption and First Modification, which assigned services from SFO Shuttle Bus Company to SFO Hotel Shuttle, Inc.; include the cost for bus cleaning services as a reimbursable expense and to retroactively pay for the bus cleaning service during the period of December 2012 through April 2015;

WHEREAS, on March 15, 2016, by Resolution Number 16-0077, the Commission approved Modification No. 2 to Contract No. 9254 with SFO Hotel Shuttle, Inc. to provide shuttle bus service at San Francisco International Airport, exercising the first of three (3) two-year options commencing July 1, 2016 through June 30, 2018, in an amount of \$23,871,617, for a new total contract amount not to exceed \$62,871,617;

WHEREAS, on July 19, 2016 by Resolution No. 307-16, the Board of Supervisors approved the continuing contracting out of shuttle bus services for FY 2016/17 & FY 2017/18, concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, on March 21, 2017, by Resolution Number 17-0063, the Commission approved Modification No. 3 to Contract No. 9254 with SFO Hotel Shuttle, Inc. to increase the contract amount by \$1,410,000, for a new not-to-exceed amount of \$64,281,617;

WHEREAS, on January 16, 2018 by Resolution No. 18-0002, the Commission approved Modification No. 4 to exercise the second of three (3) two-year options commencing July 1, 2018 through June 30, 2020, in an amount of \$28,300,000, for a new total contract amount not to exceed \$92,581,617;

WHEREAS, on May 22, 2018 by Resolution No. 167-18, the Board of Supervisors approved the continuing contracting out of shuttle bus services for FY 2018/19 & FY 2019/20, concurring with the Controller's certification that the shuttle bus services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels; and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to authorize wage rate increases retroactive to July 1, 2016 stemming from a change in economic conditions in the Bay Area resulting in challenges in hiring and retaining qualified staff; and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to authorize the rental of additional buses when needed due to construction-related AirTrain outages and the subsequent need for additional bus services; and

WHEREAS, on December 18, 2018 by Resolution No. 18-0400, the Commission approved this Modification to the Agreement; and

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

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

1.1 Agreement. The term "Agreement" shall mean the Agreement dated January 1, 2019 between Contractor and City, as amended by the:

Modification No. 1,	dated May 15, 2015 and
Modification No. 2,	dated July 1, 2016 and
Modification No. 3,	dated December 1, 2017 and
Modification No. 4,	dated July 1, 2018.

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

2. Appendix A: Scope of Work

Section I(A)(1) shall be amended by adding the following text to the last paragraph:

Contractor shall provide the City with a list of all drivers' names and shall require all drivers to complete customer courtesy training provided by Airport staff at Airport's expense. All such training shall be complete by March 31, 2019. As new drivers are assigned by Contractor to perform work under this Agreement, all such drivers shall complete customer service training within 30 calendar days of completing the Airport's badging process.

3. Appendix B Calculation of Charges. Appendix B Calculation of Charges is hereby amended as follows:

2.1 Section A.1. Direct Labor Costs is replaced in its entirety with the following:

1. Direct Labor Costs

Direct Labor Costs include (a) hourly wage rate plus (b) cost of fringe benefits.

a. Hourly Wage Rates

Consistent with Appendix B, § A(1), the City has reimbursed Contractor for half of the amount of each wage adjustment beginning in July 2016, when the first option to extend the Contract was exercised by the Airport Commission. The Contractor shall continue to submit payroll records supported by timecards or other verifiable documentation to support any application for reimbursement of Direct Labor Costs. The City has already reimbursed Contractor for all of the wages set forth in the "Historical Wage Rates Reimbursements" table, below. A new "Spotter" classification was added in January 2017 for Airside operations.

Historical Wage Rates and Reimbursements				
Effective December 2012				
Classification	Wage Rate Paid by Contractor	Wage Increase	50% of Differential	Billed Rate to SFO*
Shuttle Bus Drivers	\$24.19	\$0.00	\$0.00	\$24.19
Bus Mechanics (Journeymen)	\$34.65	\$0.00	\$0.00	\$34.65
Bus Mechanics (Foreman)	\$38.12	\$0.00	\$0.00	\$38.12
Supervisors	\$25.79	\$0.00	\$0.00	\$25.79
Effective July 2016				
Shuttle Bus Drivers	\$26.50	\$2.31	\$1.16	\$25.35
Bus Mechanics (Journeymen)	\$34.65	\$0.00	\$0.00	\$34.65
Bus Mechanics (Foreman)	\$38.12	\$0.00	\$0.00	\$38.12
Supervisors	\$27.29	\$1.50	\$0.75	\$26.54
Effective January 2017				
Shuttle Bus Drivers	\$27.00	\$0.50	\$0.25	\$25.60
Bus Mechanics (Journeymen)	\$35.65	\$1.00	\$0.50	\$35.15
Bus Mechanics (Foreman)	\$39.22	\$1.10	\$0.55	\$38.67
Supervisors	\$28.29	\$1.00	\$0.50	\$27.04
Spotters**	\$17.50	\$0.00	\$0.00	\$17.50
Effective January 2018				
Shuttle Bus Drivers	\$27.50	\$0.50	\$0.25	\$25.85
Bus Mechanics (Journeymen)	\$36.35	\$0.70	\$0.35	\$35.50
Bus Mechanics (Foreman)	\$39.99	\$0.77	\$0.39	\$39.06
Supervisors	\$29.09	\$0.80	\$0.40	\$27.44
Spotters	\$18.00	\$0.50	\$0.25	\$17.75
Effective July 2018				
Shuttle Bus Drivers	\$28.00	\$0.50	\$0.25	\$26.10
Bus Mechanics (Journeymen)	\$37.05	\$0.70	\$0.35	\$35.85
Bus Mechanics (Foreman)	\$40.76	\$0.77	\$0.38	\$39.44
Supervisors	\$29.09	\$0.00	\$0.00	\$27.44
Spotters	\$18.50	\$0.50	\$0.25	\$18.00

*Billed rate (Previous billed rate + % current of differential)

**New classification beginning 1/2017 to accommodate Airside bus operations

The City shall reimburse Contractor for additional wage increases at the rates set forth in the table below:

Future Wage Rates and Reimbursements				
Effective January 2019				
Classification	Wage Rate Paid by Contractor	Wage Increase	50% of Differential	Billed Rate to SFO*
Shuttle Bus Drivers**	\$28.50	\$0.50	\$0.50	\$28.50
Bus Mechanics (Journeymen)	\$37.75	\$0.70	\$0.35	\$36.20
Bus Mechanics (Foreman)	\$41.53	\$0.77	\$0.39	\$39.83
Supervisors	\$29.89	\$0.80	\$0.40	\$27.84
Spotters	\$19.00	\$0.50	\$0.25	\$18.25
Effective July 2019				
Classification	Wage Rate Paid by Contractor	Wage Increase	50% of Differential	Billed Rate to SFO*
Shuttle Bus Drivers	\$29.00	\$0.50	\$0.25	\$28.75
Bus Mechanics (Journeymen)	\$38.45	\$0.70	\$0.35	\$36.55
Bus Mechanics (Foreman)	\$42.31	\$0.78	\$0.39	\$40.22
Supervisors	\$29.89	\$0.00	\$0.00	\$27.84
Spotters	\$19.50	\$0.50	\$0.25	\$18.50

**Billed rate (Previous billed rate + % current of differential)*

***Billed rate to SFO for Shuttle Bus Drivers is allowed a one-time baseline readjustment with 100% reimbursement effective January 2019. All other classifications are to be billed consistent with the contract terms of 50% of wage increases.*

No further wage increases or new classifications will be approved except through a contract modification.

2.2 Section A.3. Other Direct Costs is replaced in its entirety with the following:

Other Direct Costs

The following other direct costs shall be reimbursable when accompanied by appropriate documentation.

Cost Item	Yes	No
Internet and Telephone		
Up to five (5) land line telephones with voicemail		X
Local calls from landlines	X	
Long distance calls from landlines	X	
Cellular bills for modems installed in shuttle buses and bus stops.	X	
Cell phones (excluding smart phones)	X	
Replacement of lost or damaged cell phones		X
Cell phone bills	X	
Text messaging services	X	
Wireless internet service	X	
Express next-day or two-day shipments of Airport-authorized purchases	X	
Letterhead and business cards		X
Office Equipment		
Computers, printers and monitors for administrative office functions		X
Basic software (word processing, spread sheet, anti-virus, internet browser)		X
Hardware and other software (Items to support the logistics of route and vehicle tracking including but not limited to scheduling software, transit feed capabilities, and the ability to interface with other GPS systems)	X	
Training on operation of new equipment.	X	
Computer consumables (ink cartridges, toner, paper)	X	
Use of photocopier		X
Office furniture (desks, file cabinets, chair)		X
Insurance, Parts, Equipment, Fuel		
Equipment necessary for the repair and maintenance of buses		X
Equipment and Vehicle Rental (Equipment and Vehicle Rental: Rental of equipment and vehicles when there is a shortage at SFO to adequately provide both landside and airside bussing. Examples include but are not limited to bus rental to accommodate remote gate bussing and flight delay contingency plans, variable message signs to relay bus information to passengers, and vehicle rental to service and maintain the existing bus fleet.)	X	
Training on operation of new equipment and vehicles and other training related to both landside and airside bussing as necessary.	X	
Parts necessary for the repair and maintenance of buses	X	
Fuel	X	
Insurance Premiums	X	
Employee Customer Service Training		
Training to be provided by SFO Guest Services	X	

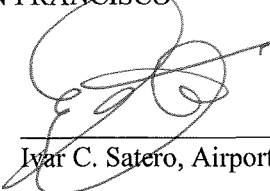
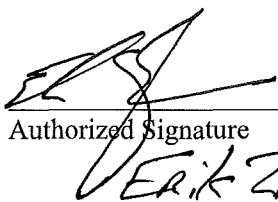

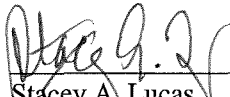
B. Management Fee

The monthly Management Fee of \$112,996 shall constitute full compensation to the Contractor for any and all management fees, profit, overhead and non-reimbursable costs (direct or indirect), associated with the performance of services under this Contract. An itemized list of reimbursable and non-reimbursable costs is provided in Paragraph A above. The Management Fee shall include all costs associated with all principals, managers and assistant managers. The Contractor shall invoice the City for payment of the Management Fee on a regular monthly basis.

4. Effective Date. Each of the changes set forth in this Modification shall be effective on and after the date of this Modification, except for hourly wage rates which shall follow the effective dates set forth in 2.1.a of this Modification No. 5.

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

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

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By:  Ivar C. Satero, Airport Director	Authorized Signature  VERIK ZANDHUIS
Attest:	Printed Name Vice President Commuter Shuttle
By:  C. Corina Monzon, Secretary Airport Commission	Title SFO HOTEL Shuttle Inc
Resolution No: 18-0400	Company Name 88302
Adopted on: December 18, 2018	City Supplier ID 54 TAMFORAN AVENUE
Approved as to Form:	Address SOUTH SAN FRANCISCO CA 94080
Dennis J. Herrera City Attorney	City, State, ZIP 415 915 9777
By:  Stacey A. Lucas Deputy City Attorney	Telephone Number 68-0494097 Federal Employer ID Number