

CITY AND COUNTY OF SAN FRANCISCO

CONTRACT ORDER
CONTRACT WITH:

[ATKINSREALIS USA](#)
[4030 W Boy Scout Blvd, Ste 700](#)
[Tampa, FL 33607](#)

CHANGE

ORIGINAL
INCREASE
DECREASE
OTHER CHANGE

Department:		Controller No.
27 AIRPORT COMMISSION		0000906249
Department Contact		TELEPHONE NO
Daniel Lee		(650) 821-7767
PS Contract	Fund Group/Fd/	Date:
1000035310		2/12/2025
Category Codes	Supplier ID	Job No.
91200	0000024944	CT12077.41
Period Covered:		Amount:
4 YEAR		\$50,000.00

FOR THE PURPOSE OF: CONTRACT NO. 12077.41 – TO PROVIDE PROJECT MANAGEMENT SUPPORT SERVICES FOR THE AIRFIELD IMPROVEMENT PROGRAM, 2024-2029 PHASE

TO PROVIDE PROJECT MANAGEMENT SUPPORT SERVICES FOR THE AIRFIELD IMPROVEMENT PROGRAM, 2024-2029 PHASE IN THE NOT-TO EXCEED CONTRACT AMOUNT OF \$8,600,000 WITH A CONTRACT DURATION OF FOUR YEARS

RESOLUTION NO. 25-0004

PSC FORM 1 DHRPSC0004625 \$25,000,000 48 months
PSC FORM 2 DHRPSC0004625 \$8,600,000

THIS ENCUMBRANCE: \$50,000.00 (PO 0000906249) FR5963

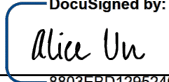
TOTAL ENCUMBRANCE AMOUNT \$ 50,000.00

CONTRACT PERIOD: The term of this Agreement shall commence on the date indicated in the Notice to Proceed (NTP) and expire four (4) years later, unless earlier terminated as otherwise provided herein.

COMMISSON APPROVAL: \$8,600,000 FOR FOUR YEARS OF SERVICES PER COMMISSION RESOLUTION NO. 25-0004

Insurance Required	AtkinsRealis	
	Amount	Expiration Date
General Liability	\$2,000,000/ \$4,000,000	10/15/2025
Automobile Liability	\$2,000,000	10/15/2025
Workers Compensation	\$1,000,000	10/15/2025
Professional Liability	\$2,000,000	4/30/2025

MAIL INVOICE TO:
Daniel Lee
San Francisco Airport Commission
P.O. Box 8097
San Francisco, CA 94128

RECOMMENDED AND APPROVED								
By: MIKE NAKORNKHET Airport Director DocuSigned by:  8803EBD1285248E			Chief Administrative Officer Board of supervisor		Materials, Supplies & Services Purchaser Real Property Leases & Rents Director of Property		Certification Date: 2/12/2025	
Line #	Document		Amount	Fund	Department	Authority	PROJECT	
	Number	Account					Project	Activity
1	0000906249	527990	\$50,000	19434	109722	10337	10039931	0032

**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**

AtkinsRéalis USA Inc.

**Contract No. 12077.41
Project Management Support Services
for the Airfield Improvement Program, 2024-2029 Phase**

This Agreement is made this 21st day of January 2025, in the City and County of San Francisco (“City”), State of California, by and between AtkinsRéalis USA Inc. (“Contractor”) and City.

Recitals

- A. The Airport Commission (“Department” or “Commission”) wishes to enter into a contract with Contractor for Project Management Support Services for the Airfield Improvement Program, 2024-2029 Phase (“Program”) for the San Francisco International Airport (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 August 1, 2024, the Commission issued a Request for Proposals (“RFP”), entitled Project Management Support Services for the Airfield Improvement Program, 2024-2029 Phase, procured as required by San Francisco Administrative Code (“Administrative Code”) Section 6.40 through Section 6.41 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. On January 21, 2025, by Resolution No. 25-0004, the Commission approved this Agreement in the amount of \$8,600,000 with a duration of four (4) years; and
- E. This Contract is deemed exempt from Chapter 14B of the San Francisco Administrative Code because it is partially funded by a federal grant that prohibits the use of geographical preferences in the procurement of the Services and, as such, there is no Local Business Enterprise (“LBE”) subcontracting participation requirement for this Agreement; and
- F. Approval for the Agreement was obtained on January 6, 2025 from the Civil Service Commission under PSC number DHRPSC0004625 in the amount of \$25,000,000 for the period of four (4) years.

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 AtkinsRéalis USA Inc., 580 California Street, San Francisco, California 94104.

1.7 “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.

1.8 “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.

1.9 “Notice to Proceed” means the written notice issued by the City to Contractor authorizing Contractor to proceed with the Services and establishing the date of commencement of the term of the Agreement.

1.10 “Party” and “Parties” mean 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 the date indicated in the Notice to Proceed (NTP) and expire four (4) years later, unless earlier terminated as otherwise provided herein.

2.2 **Options to Renew. Reserved.**

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, contract service 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 **Eight Million Six Hundred Thousand Dollars (\$8,600,000)**, 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 **Reserved.**

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.

(a) **Grant Terms.** The funding for this Agreement is provided in full or in part by a Federal or State Grant to City. As part of the terms of receiving the funds, City is required to incorporate some of the terms into this Agreement. When available, the Grant Terms will be incorporated into this Agreement as Appendix C, "Grant Terms." To the extent that any Grant Term is inconsistent with any other provisions of this Agreement such that Contractor is unable to comply with both the Grant Term and the other provision(s), the Grant Term shall apply.

(b) **Disallowance.** If Contractor requests or receives payment from City for Services, reimbursement for which is later disallowed due to Contractor's non-compliance with the Grant Terms, Contractor shall promptly refund the disallowed amount to City upon City's request. At its option, City may offset the amount disallowed from any payment due or to become due to Contractor under this Agreement or any other agreement between Contractor and City.

(c) **Subgrantees.** When available, Contractor shall insert each Grant Term into each lower tier subcontract. Contractor is responsible for compliance with the Grant Terms by any subcontractor, lower-tier subcontractor or service provider.

3.3.8 Payment Terms.

(a) **Payment Due Date.** Unless City notifies the Contractor that a dispute exists, Payment shall be made within thirty (30) 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) **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 (5) 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 Sections 6.80-6.83, 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 will involve the performance of work covered by the California Labor Code Sections 1720 and 1782, as incorporated within Section 6.22(e) of the San Francisco Administrative Code (collectively, "Covered Services"), which is incorporated into this Agreement as if fully set forth herein 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 San Francisco Board of Supervisors and the Director of the California Department of Industrial Relations (“DIR”), as such prevailing wage rates may be changed during the term of this Agreement, are hereby incorporated as provisions of this Agreement. Copies of the applicable prevailing wage rates are available from the City’s Office of Labor Standards and Enforcement (“OLSE”). See also <https://sf.gov/resource/2022/citywide-contractor-labor-laws>. Contractor agrees that it shall pay not less than the prevailing wage rates, as determined by the Board of Supervisors and DIR, to all workers employed by Contractor who perform Covered Services under this Agreement.

3.6.3 Subcontract Requirements. Contractor shall insert in every subcontract for the performance of Covered Services under this Agreement a provision requiring subcontractor to pay all persons performing labor in connection with Covered Services under the subcontract not less than the highest general prevailing rate of wages as determined by the Board of Supervisors and DIR for such labor and services.

3.6.4 Posted Notices. Contractor shall post job site notices prescribed by DIR at all job sites where Covered Services are to be performed.

3.6.5 Payroll Records. Contractor shall keep or cause to be kept complete and accurate payroll records for all workers performing Covered Services. Such records shall include the name, address and social security number of each worker who provided Covered Services, including apprentices, their classification, a general description of the Services each worker performed each day, the rate of pay (including rates of contributions for, or costs assumed to provide fringe benefits), daily and weekly number of hours worked, deductions made and actual wages paid. Every subcontractor who shall perform any part of Covered Services shall keep a like record of each person engaged in the execution of Covered Services under the subcontract. All such records shall at all times be available for inspection of and examination by City and its authorized representatives and/or DIR.

3.6.6 Certified Payrolls. Contractor shall prepare certified payrolls for the period involved for all employees, including those of subcontractors, who performed Covered Services. Contractor and each subcontractor performing Covered Services shall electronically submit certified payrolls to City and to DIR as specified by City and DIR. Contractor and all subcontractors that will perform Covered Services shall attend a training session on the preparation and electronic submission of certified payroll records provided by City. Contractor and applicable subcontractors shall comply with electronic certified payroll requirements (including training) at no additional cost to City.

3.6.7 Compliance Monitoring. Covered Services performed under this Agreement are subject to compliance monitoring and enforcement of prevailing wage requirements by DIR and/or OLSE. Contractor and any subcontractors performing Covered Services will cooperate fully with DIR and/or OLSE and other City employees and agents authorized to assist in the administration and enforcement of the prevailing wage requirements. Contractor agrees that (i) OLSE shall have the right to engage in random inspections of job sites and have access to the employees of the Contractor, employee time sheets, inspection logs, payroll records and employee paychecks; (ii) Contractor shall maintain a sign-in and sign-out sheet showing which employees are present on the job site; (iii) Contractor shall prominently post at each job-site a sign informing employees that the project is subject to City’s prevailing wage requirements and that these requirements are enforced by OLSE; and (iv) OLSE may audit such records of Contractor as it reasonably deems necessary. Failure to comply with these requirements may result in penalties and forfeitures under the California Labor Code, including Section 1776(g), as amended from time to time, San Francisco Administrative Code Section 6.22(e), and San Francisco Labor and Employment Code Article

102, as applicable.

3.6.8 Remedies. Should Contractor, or any subcontractor performing Covered Services, fail or neglect to pay to the persons who perform Covered Services under this Agreement or subcontract for the Covered Services, the general prevailing rate of wages as herein specified, Contractor shall forfeit, and in the case of any subcontractor so failing or neglecting to pay said wage, Contractor and the subcontractor shall jointly and severally forfeit, back wages due plus the penalties set forth in Administrative Code Section 6.22(e) and/or California Labor Code Section 1775. City, when certifying any payment which may become due under the terms of this Agreement, shall deduct from the amount that would otherwise be due on such payment the amount of said forfeiture.

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.

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.

4.2.1 Key Personnel Substitutions. Contractor understands that the evaluation and selection of its proposal was based, in part, on Contractor's team and key personnel as submitted in response to the RFP. Therefore, the City will not approve any requests for substitution of key personnel within twelve (12) months after the NTP until it has investigated the reasons for such requests and determined them to be appropriate. The City retains sole discretion in deciding whether to approve any proposed substitution throughout the life of the Agreement.

(a) The City and Contractor understand and agree that time is of the essence in all matters relating to the Program under this Agreement, and that the City will suffer financial and other intangible but significant losses if the Services are not completed in a timely manner as described in this Agreement. Contractor further acknowledges and agrees that the actual cost to the City resulting from the substitution of key personnel is extremely difficult, if not impossible, to quantify. Therefore, the City and Contractor agree that should the City determine, at its sole discretion, that a substitution of key personnel has contributed to a loss of productivity, Contractor will pay the City liquidated damages for that loss of productivity (but not as a penalty) in the following amounts: (i) \$35,000 if key personnel are replaced during the period between the award of the Agreement and sixty (60) days after issuance of the NTP, or (ii) the cost billed and approved by the City for the substituted key personnel, including salary and overhead, if the substitution occurs after sixty (60) days following the issuance of the NTP but before the completion of the first year of services.

(b) If key personnel are substituted without prior written approval from the City within twelve (12) months after issuance of the NTP, this may be considered a material breach of contract. The City reserves the right to terminate the Agreement if Contractor substitutes key personnel without prior City approval. Additionally, unapproved substitutions may negatively affect Contractor's responsibility evaluation in future procurements. The City's approval of any substitution of key personnel must be in writing.

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 in Appendix B, “Calculation of Charges.”

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 **Reserved.**

4.7 **Reserved.**

4.8 **Reserved.**

4.9 **Reserved.**

4.10 **Reserved.**

Article 5 Insurance and Indemnity

5.1 Insurance.

5.1.1 Required Coverages. In the event that the Contractor is a JV entity without insurance policies issued to the JV as policyholder, each individual JV partner must separately comply with this Section 5.1 by providing evidence of the 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 **\$2,000,000** each occurrence and **\$4,000,000** 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 **\$2,000,000** 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, applicable to Contractor's profession, with limits not less than **\$2,000,000** for each claim with respect to negligent acts, errors or omissions in connection with the Services.

(e) **Reserved.**

(f) **Reserved.**

(g) **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 of their officers, directors, agents, and employees.

(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 of their officers, directors, agents, and employees.

(c) **Reserved.**

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) **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.

5.3 **Indemnification and Defense Obligations for Design Professionals.** To the extent design professional services are performed under this Agreement, if any, the following indemnity and defense obligations shall apply:

5.3.1 **Defense Obligations.** To the fullest extent permitted by law, Contractor shall, following a tender of defense from City, assume the immediate defense of (with legal counsel subject to approval of the City), the City, its boards, commissions, officers, and employees (collectively "Indemnitees"), from and against any and all claims, losses, costs, damages, expenses and liabilities of every kind, nature, and description including, without limitation, injury to or death of any person(s) and incidental and consequential damages (collectively "Damages"), court costs, attorneys' fees, litigation expenses, fees of expert consultants or witnesses in litigation, and costs of investigation (collectively "Litigation Expenses"), that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, the alleged negligence, recklessness, or willful misconduct of Contractor, any subconsultant, anyone directly or indirectly employed by them, or anyone that they control (collectively, "Liabilities"). City will

reimburse Contractor for the proportionate percentage of defense costs exceeding Contractor's proportionate percentage of fault as determined by a Court of competent jurisdiction.

5.3.2 Indemnity Obligations. To the fullest extent permitted by law, Contractor shall indemnify and hold harmless Indemnitees from and against any and all Liabilities, including but not limited to those for Damages or Litigation Expenses specified in Section 5.3.1.

5.3.3 Copyright Infringement. Contractor shall also indemnify, defend and hold harmless all Indemnitees from all suits or claims for infringement of the patent rights, copyright, trade secret, trade name, trademark, service mark, or any other proprietary right of any person or persons in consequence of the use by the City, or any of its boards, commissions, officers, or employees of articles, work or deliverables supplied in the performance of Services. Infringement of patent rights, copyrights, or other proprietary rights in the performance of this Agreement, if not the basis for indemnification under the law, shall nevertheless be considered a material breach of contract.

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

5.5 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, "CALCULATION OF CHARGES AND CONTRACT NOT-TO-EXCEED AMOUNT," 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 section 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 thirty (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 ten percent (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 five percent (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 Section 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 (10) 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 (5) 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 https://codelibrary.amlegal.com/codes/san_francisco/latest/overview.

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 Labor and Employment Code Article 141, 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 Article 141. Information about and the text of Article 141 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 Article 141, 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 San Francisco Labor and Employment Code Articles 131 and 132. Contractor shall incorporate by reference in all subcontracts the provisions of Sections 131.2(a), 131.2(c)-(k), and 132.3 of the San Francisco Labor and Employment Code and shall require all subcontractors to comply with such provisions. Contractor is subject to the enforcement and penalty provisions in Articles 131 and 132.

10.5.2 Nondiscrimination in the Provision of Employee Benefits. San Francisco Labor and Employment Code Article 131.2 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 Labor and Employment Code Article 131.2.

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.

10.7 Minimum Compensation Ordinance. Labor and Employment Code Article 111 applies to this Agreement. Contractor shall pay covered employees no less than the minimum compensation required by San Francisco Labor and Employment Code Article 111, including a minimum hourly gross compensation, compensated time off, and uncompensated time off. Contractor is subject to the enforcement and penalty provisions in Article 111. Information about and the text of Article 111 is available on the web at <http://sfgov.org/olse/mco>. Contractor is required to comply with all of the applicable provisions of Article 111, irrespective of the listing of obligations in this Section. By signing and executing this Agreement, Contractor certifies that it complies with Article 111.

10.8 Health Care Accountability Ordinance. Labor and Employment Code Article 121 applies to this contract. Contractor shall comply with the requirements of Article 121. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Article 121.3 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 Article 121, 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 Article 121. 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 12.8 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.

Contractor agrees in the performance of this Agreement to maintain a drug-free workplace by notifying employees that unlawful drug use is prohibited and specifying what actions will be taken against employees for violations; establishing an on-going drug-free awareness program that includes employee notification and, as appropriate, rehabilitation. Contractor can comply with this requirement by implementing a drug-free workplace program that complies with the Federal Drug-Free Workplace Act of 1988 (41 U.S.C. § 701).

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 (12) 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 Reserved.

10.13 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 Article 142, "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Labor and Employment Code ("Article 142"), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Article 142 are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of Article 142 is available on the web at <http://sfgov.org/olse/fco>. Contractor is required to comply with all of the applicable provisions of Article 142, 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 Article 142.

10.14.2 The requirements of Article 142 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. Article 142 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 Reserved.

10.17.2 Reserved.

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: Daniel Lee, Airfield Program Manager
San Francisco International Airport
Design & Construction Division
P.O. Box 8097
San Francisco, CA 94128
daniel.lee@flysfo.com

To Contractor: Kara Bymers, Project Manager
AtkinsRéalis USA Inc.
580 California Street
San Francisco, CA 94104
kara.bymers@atkinsrealis.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 and contract service orders (if any).

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 **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.

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 Sections 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 Airport Commission Cyber Security Requirements.

12.7.1 Should the Services provided under this Agreement require Contractor to access Airport information systems residing within Airport managed networks, Contractor shall use the Airport’s VPN solution to access such Airport systems and is prohibited from implementing any other remote access solution without the express written permission of the Airport’s Chief Information Security Officer.

12.7.2 For the purposes of this Agreement, known exploitable vulnerabilities, as that term is defined by the Department of Homeland Security Cybersecurity & Infrastructure Security Agency (“DHS/CISA”), and all software on the DHS/CISA Known Exploited Vulnerabilities Catalog (“KEV catalog”), shall be designated as a “high risk” or “critical” vulnerability.

12.7.3 All software used with information technology that is used by Contractor in the creation or delivery of the Services provided under this Agreement shall be maintained in accordance with DHS/CISA guidelines for said software and information technology as follows:

- Critical vulnerabilities associated with internet-facing services must be remediated within eight hours of being published in the KEV catalog, and critical vulnerabilities in all other information technology must be addressed within three (3) business days of being published.
- High risk vulnerabilities associated with internet-facing services must be remediated within three (3) days of being published in the KEV catalog, and high-risk vulnerabilities in all other information technology must be addressed within fourteen (14) business days of being published.

- For the purposes of this section, “remediation” means to “reduce the significant risk of known exploited vulnerabilities” as these terms are used by DHS/CISA in relationship to the KEV catalog.

12.7.4 For software and services managed by the Contractor, Contractor is required to notify the Airport Chief Information Security Officer of any known or suspected software vulnerabilities that, if exploited, could adversely impact the software and services being provided under this Agreement.

12.7.5 Contractor shall comply with City’s requirements for Cybersecurity Risk Assessment as outlined in the OCA Technology Purchasing Handbook (which may be found at: https://sfgov.org/oca/sites/default/files/OCA%20Technology%20Purchasing%20Guidelines%20v9.1_8-1-21.pdf), and, where applicable under such handbook, provide the Airport Chief Information Security Officer with a completed City Cyber Risk Assessment Questionnaire or SSAE 18 SOC-2 Type 2 report.

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 Reserved.

13.3 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 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.

APPENDIX A SCOPE OF SERVICES

Contractor shall provide all staffing and Services listed below to oversee the projects under the San Francisco International Airport's ("Airport") Airfield Improvement Program, 2024-2029 Phase ("Program").

1. PROJECT CONTROLS AND REPORTING

At a minimum, Contractor shall provide the following project controls and reporting services:

- 1.1 Input real-time project data into the Airport's project management information system, Primavera Unifier ("Unifier"). The data will be used to report on the progress of the Program including information on the construction contractor(s) and subcontractors' work, percentage of completion of the work, current estimates, forecasted contract growth, trade package buyouts, updated monthly schedules, including projected time to completion and estimated cost to complete the work, digital progress photographs, logs for requests for information, submittals and shop drawings, pending and approved change orders, meetings minutes, and other Program metrics as requested by the Airport.
- 1.2 Perform data entry into Unifier to ensure that real-time data is readily available. Contractor shall perform quality control to reduce input error, thus enhancing consistency and accuracy in data reporting.
- 1.3 Provide an environment that allows the construction contractor(s) to uniformly exchange information with Contractor relating to project budgets, costs, estimates, risk, and schedule using the Stakeholder Engagement Process (SEP) to maintain transparency between interfacing with adjoining projects.
- 1.4 Produce reports and deliverables that help the Airport manage the Program and make decisions. Reports and deliverables shall be outputted from and generated using the data entered into Unifier. Contractor shall provide hard copy, colored duplicates upon the Airport's request. The reports and deliverables shall include, but are not limited to, the following:
 - a. A monthly report to the Airport on services provided under the Agreement in a format consistent with the Airport reporting process. Contractor shall report on its progress and any problems in performing the services of which Contractor becomes aware.
 - b. Project cost and budget reports as part of the required monthly report in a format determined by the Airport to include total Program and project budget amounts, total Program and project costs to date, earned value estimates, trends, and forecasts. Reports shall include costs and payments to the construction contractor(s), and Airport costs and expenses.
 - c. Detailed monthly schedule reports and schedule trend reports. Contractor shall update schedules by monitoring progress in relationship to the existing baseline schedules for adjoining projects, and provide schedule recovery recommendations on a monthly basis and anticipated schedule phases.
 - d. Monthly cash flow and trend reports and additional reports as requested by the Airport.
 - e. Report on all potential and anticipated Program and project risks and issues. Provide cost recovery recommendations on a monthly basis.

- f. Report on quality assurance and quality control processes and how these are being engaged on a monthly basis.
 - g. A monthly safety report.
 - h. Other reports and presentations so that varying levels of details can be communicated to different management levels within the Airport organization as well as to the public, as requested. Contractor shall provide reports monthly, quarterly, annually, or as requested by the Airport.
- 1.5 Provide high-level Program and project cost information to the Airport's Capital Program Support Services Consultant ("CPSS Consultant") for input into the overall program-level management and coordination of the Airport's Capital Improvement Plan ("CIP").
- 1.6 Produce reports and deliverables that meet Federal Aviation Administration (FAA) requirements. Reports and deliverables shall be in electronic format to the greatest extent possible; however, Contractor shall provide hard copy, colored duplicates upon the FAA's and/or Airport's request. The reports and deliverables shall include, but are not limited to, the following:
- a. Monthly status reports to the FAA.
 - b. Monthly schedule updates to the FAA in Microsoft Project.
 - c. Reimbursement requests to the FAA.
- 1.7 Contractor shall use systems that are compatible with current Airport project control software. These systems include but are not limited to: Primavera P6 EPPM (scheduling), Unifier (cost management and business processes), CIP Planner (project financial planning), OpenText eDocs (document control), Microsoft Projects (scheduling), Microsoft Outlook (email), Microsoft PowerPoint (presentations), AutoCAD (drafting exhibits), and Bluebeam (review comments on PDF files).

2. PROJECT SCHEDULING SERVICES

Using scheduling tools, Contractor shall, at a minimum, provide the following project schedules and analysis services:

- 2.1 Compile applicable schedules from Airport staff, construction contractor(s), and other agencies to prepare a Level 1 Schedule for the Program and each project. The Level 1 Schedule, or Contract Master Schedule, is a summary level schedule that establishes key completion objectives for the Program and each project. At a minimum, it defines the overall period of performance, major milestones, contractual milestones, contract deliveries, and other major project phases. The Level 1 Schedule shall also show milestones that interface with other adjoining projects.
- 2.2 Verify and validate Level 2 Schedules provided by the construction contractor(s). The Level 2 Schedule, or Intermediate Schedule, shall contain a detailed reflection of the activities that must be accomplished to achieve the Level 1 Schedule objectives. At a minimum, the Level 2 Schedule shall include deliveries of critical long lead items, hardware, software, and performance requirements.
- 2.3 Verify and validate Level 3 Schedules provided by construction contractor(s). The Level 3 Schedule, or Detailed Schedule, shall contain a detailed set of activities that must be

accomplished to achieve Level 2 Schedule objectives. This schedule should contain enough detail for the Airport to plan, direct, and monitor the completion of work and to reliably calculate the project's critical path. The Level 3 Schedule shall reflect Contractor's review and monitoring of construction schedules and the coordination of those schedules with other Airport projects, either planned or ongoing.

- 2.4 Identify and analyze dependencies, controls, and interfaces for the Program and each project with other Airport operational activities, and/or with external projects and perform alternative analysis project sequence to optimize project delivery within the Level 3 Schedule.
- 2.5 Develop, review, update, and monitor project schedules to the required management level during all project phases as directed by the Airport.
- 2.6 Provide high-level project schedule information to the CPSS Consultant for input into the overall program-level management and coordination of the CIP.

3. PROJECT BUDGET AND ESTIMATING SERVICES

At a minimum, Contractor shall support Airport financial analyses by performing the following tasks:

- 3.1 Prepare and review project hard and soft cost budget estimates, resulting in the establishment of the project baseline budget. The estimates shall follow a Work Breakdown Structure consistent with Airport requirements.
- 3.2 Analyze financial consequences of design alternatives, alternatives resulting from value engineering reviews of design and construction techniques, and costs due to site and schedule constraints.
- 3.3 Provide project-level cost and trend management services.
- 3.4 Provide a wide range of cost estimates, including pre-construction, concept, budgetary, design, construction, and engineer's estimates.
- 3.5 Use the cost management system provided by the Airport.
- 3.6 Establish, review, and support Airport staff in making appropriate budgetary contingencies and reviewing project risks.
- 3.7 Provide budget and funding report services, documenting sources of funds and cash flow projections for the project.
- 3.8 Develop and maintain procedures to forecast project costs and advise the Airport on corrective actions if forecasted budgets will be exceeded.
- 3.9 Prepare and review life cycle costs including operations and maintenance costs.
- 3.10 Prepare and review cost benefit analysis.
- 3.11 Reconcile the project scope with appropriate budgets.
- 3.12 Prepare preliminary estimates of construction costs and times of completion for the project.

4. DOCUMENT CONTROL SERVICES

At a minimum, Contractor shall provide the following document control services:

- 4.1 Use the Airport's document control system and tools for the Program and each project and provide training to construction contractor(s).
- 4.2 Maintain all project documentation in an integrated, accessible electronic format with hard copy stored in a retrievable system as directed by the Airport.
- 4.3 Using Unifier, maintain status logs of Program and project documents including, but not limited to, design activities and status, requests for information, submittals, substitution requests.
- 4.4 Develop and maintain systems for the efficient distribution of Program and project documents to construction contractor(s), external agencies, other City departments, and other stakeholders as directed.

5. SPECIALIZED TECHNICAL SUPPORT SERVICES

Contractor shall provide specialized services to manage the complex programming, design, construction, activation, and closeout issues associated with the systems listed below. Contractor shall provide the services of personnel with specific expertise in each of the following areas:

- Construction safety and phasing plan development
- Safety risk assessment facilitation
- Airfield pavement design review and analysis
- Airfield pavement quality assurance testing
- Airfield lighting design and instrument landing system
- Field survey for quality assurance

6. AIRPORT STRATEGIC PLAN

Contractor shall assist in the advancement of the Mission, Vision, Overall Goals, and Core Values in the [Airport's Strategic Plan](#).

7. STRUCTURED COLLABORATIVE PARTNERING PROCESS

Contractor shall participate in the Structured Collaborative Partnering process as described in the Airport's [Delivering Exceptional Projects](#) document.

8. STAKEHOLDER ENGAGEMENT PROCESS PARTICIPATION AND ADMINISTRATION

Contractor shall coordinate, participate in, and document the SEP throughout the project lifecycle and:

- 8.1 Manage the overall SEP for the project, including organizing the SEP groups, scheduling, and coordinating meetings and ensuring that invitees can attend, assigning SEP leaders where Airport staff is not available and providing administrative and documentation support, including the preparation and distribution of meeting agendas and minutes and tracking action items.
- 8.2 Manage the identified next steps, action items, and due dates by ensuring project teams complete the anticipated deliverables; or request for extension and communicate any delays, if necessary.
- 8.3 Provide updated schedules and pertinent project information to Airport stakeholders in a timely manner.

- 8.4 Host pre-meets with Airport staff, prepare content in advance and facilitate meeting sessions, which include navigating various meeting elements, and authoring software and files.
- 8.5 Prepare the project requirements narrative as appropriate and approved by the Airport and oversee inclusion of requirements into the construction contractor's construction documents.
- 8.6 Use the SEP to prepare for all start-up and activation activities.

9. SUSTAINABILITY

The Airport has achieved significant environmental sustainability goals and intends to incorporate sustainable, adaptation, and resilience procedures and practices in all spheres of Airport operations. In support of high-performance buildings and facilities, the Airport has developed the SFO Sustainable Planning, Design & Construction (SPDC) Standards to establish the minimum sustainability requirements and stretch goals that are available at <https://www.sfoconnect.com/abr-ae-standards-tenant-improvement-guide>. Contractor shall support Airport staff with the implementation of the SFO Sustainable Planning, Design & Construction Standards and stretch goals from the project's programming phase through the closeout phase.

Contractor's responsibilities include but are not limited to:

- 9.1 Providing a sustainability accredited professional (Envision Sustainability Professional; or other sustainability accredited professional as appropriate for the project infrastructure certification requirements) who shall work with the general contractor and the Airport to achieve the Airport's sustainability, adaptation, and resilience goals.
- 9.2 Managing the process to implement the SFO SPDC Standards through close collaboration with the general contractor and the SFO sustainability stakeholders.
- 9.3 Reviewing the design and construction documents to confirm consistency with the applicable state, local, and federal green building codes, green building/infrastructure rating systems, and with the SFO SPDC Standards and stretch goals as set for the project.
- 9.4 Support the general contractor to prepare for regular ZERO Committee presentations as required by the SFO SPDC Standards.
- 9.5 Visiting the construction site at regular intervals with the general contractor and SFO sustainability representatives to review the in-place construction work for compliance with the Airport's green building standards.
- 9.6 Evaluating the general contractor's cost estimates for proposed sustainability measures, end of phase sustainability reports, and energy models.

10. PROJECT COORDINATION

At a minimum, Contractor shall provide the following coordination services:

- 10.1 In all phases, assist Airport staff with project coordination and development efforts with Airport management and Airport Operations, airlines, agencies, and other stakeholders as defined in the SEP, as required and directed by the Airport.
- 10.2 Coordinate project work with all ongoing Airport activities, including but not limited, to concurrent airfield and terminal improvement projects and other adjacent or coordinated projects.

- 10.3 Assist with the establishment, implementation, and modification of project administrative procedures.
- 10.4 Implement and support an action item system to track key project activities.
- 10.5 Develop and monitor a risk register to identify, track, and respond to project risk.
- 10.6 Develop and monitor a list of project trends.
- 10.7 Coordinate and document SEP programming and design review input.
- 10.8 Coordinate, lead, and document appropriate weekly project meetings throughout each phase of each project.
- 10.9 Assist Airport staff with identifying and coordinating Airport and tenant utility infrastructure documentation.
- 10.10 Assist Airport staff with any security systems and equipment coordination.
- 10.11 Assist Airport staff with maintaining active terminal, airfield and landside security and operations, phasing, environmental issues, off-hours work, utility cutovers, and associated activities.
- 10.12 Coordinate any hazardous material survey, reporting and abatements work to ensure Airport compliance with appropriate entities.
- 10.13 Assist Airport staff with preparing reports and presentations to various levels of Airport management, including the Planning, Design and Construction Advisory Board and the Executive Committee, as directed by the Airport.
- 10.14 Assist the Airport in gathering information for and responding to internal and external audits of the project and modify and implement processes to address any findings from such audits.

11. PROGRAMMING PHASE

The intent of the programming phase is to provide clarity and agreement on each project's scope, cost, and schedule between all parties and to provide an approved basis of design with the Airport's design team. As part of the programming phase, Contractor shall provide the following services, at a minimum:

- 11.1 Ensure information is accurately assembled in a comprehensive narrative report to be used as the basis of design, which shall include, but not limited to:
 - a. Project Description: A comprehensive narrative of the scope of work and programming requirements for the project that incorporates input from the SEP, which will be led and coordinated by Contractor.
 - b. Conceptual design drawings.
 - c. Project Design Criteria and Standards: Criteria shall incorporate Airport and other regulatory standards as well as input from the SEP. Identification of preliminary engineering, security, and FAA systems for the project. Compilation of engineering, security, and FAA systems specification outlines based on conceptual design. The outline specifications shall include minimum performance criteria and standards and preferred manufacturers. Identification of preliminary FAA standards and airport design requirements. Identification of sustainability

requirements.

d. Preliminary schedules and cost models based on the proposed basis of design.

11.2 Reconcile the project with the Airport's budget.

11.3 Advise the Airport if the project and budget are not in compliance and recommend potential solutions.

11.4 Prepare reports, exhibits, and presentation materials to present the project as requested by the Airport.

11.5 Identify, analyze, and conform to the requirements of governmental and private authorities having jurisdiction to approve the design of the project and participate in consultations with such authorities.

11.6 Provide a staffing plan for Contractor's team for each phase of the remainder of the project and on anticipated direct labor cost for the remainder of the project.

11.7 Work with the Airport and the FAA in preparation of FAA Support Service Reimbursable Agreements including identifying scope of work, material procurement, cost estimation, and duration of terms.

12. DESIGN PHASE

At a minimum, Contractor shall provide the following design phase services:

12.1 Manage, administer, and oversee Airport-issued contracts to support the projects. The Airport anticipates in-house design for these projects but may supplement them with as-needed services.

12.2 Coordinate FAA, third-party, peer, and quality assurance reviews of design deliverables and construction documents produced by the Airport and verify that all design review comments are incorporated.

12.3 Verify that the Airport design implements the standards developed in the SEP.

12.4 Monitor design progress and deliverables and recommend corrective action when required.

12.5 Support the construction contractor(s) with review of construction documents for constructability, impact to Airport operations, and consistency with the project schedule.

12.6 Coordinate proposed design elements and phasing in conjunction with all components of the project and all other affected Airport activities and stakeholders.

12.7 Support the Airport with review of construction contractor(s) construction bidding process.

13. CONSTRUCTION PHASE

At a minimum, Contractor shall provide the following construction phase services:

13.1 Manage, administer, and oversee project construction contract(s).

13.2 Establish a job-specific safety program with the construction contractor(s) and provide competent safety professional(s) to monitor jobsite safety.

- 13.3 Review construction work, schedules, phasing plans and make recommendations to minimize disruption to Airport operations.
- 13.4 Ensure construction activities/shutdowns/closures are properly coordinated with, and approved by, Airport Operations, Airport Duty Managers, and all affected parties.
- 13.5 Review and/or prepare construction quality assurance/quality control plans.
- 13.6 Provide technical, full-time, on-site quality assurance and code compliance oversight and inspection, including specialty inspections as needed, of the progress and quality of the construction work.
- 13.7 Monitor environmental inspection for construction contractor(s) compliance with environmental regulations.
- 13.8 Examine materials and equipment being incorporated into the work to verify that they are supported by approved submittals, handled, stored, and installed properly.
- 13.9 Prepare inspector's daily reports and engineer's reports for submission to the Airport.
- 13.10 Manage and review the submission of samples, shop drawings, operation and maintenance manuals, and other submittals for contract and code compliance.
- 13.11 Identify problems encountered in accomplishing the construction work and recommend appropriate action to the Airport to resolve problems with minimal effect on the timely completion of the project.
- 13.12 Provide all testing, including specialty testing, as required by the latest FAA Advisory Circular 150/5370 and by the Airport.
- 13.13 Maintain a log of any requests for information and manage responses for approval by the Airport and/or the engineer-of-record. Contractor shall coordinate and/or procure the services of certified testing laboratories to assure that the proper number and type of tests are being performed in a timely manner.
- 13.14 Review progress payment requests for accuracy and recommend approval. Contractor shall prepare all supporting documentation for progress payment requests, including but not limited to, certified payroll tracking forms. All payment documentation shall use Airport standard templates through Primavera Unifier.
- 13.15 Review construction contractor(s) reports, as-built drawings, and other construction documentation and ensure information is appropriately captured in Airport records.
- 13.16 Coordinate job site meetings and prepare meeting minutes. Contractor shall review and communicate information presented to Airport managers and all attendees.
- 13.17 Assist the Airport with compliance review of all contract terms and conditions including, but not limited to, Contract Monitoring Division requirements, certified payroll, labor standards, drug policy, security requirements, site cleanliness, and safety requirements.
- 13.18 Administer the evaluation and negotiation of change orders, prepare and process change orders and contract modifications for Airport approval, and maintain a change log.
- 13.19 Support the management and coordination of all documents needed to ensure compliance with

the FAA's Airport Improvement Program (AIP) grant requirements.

14. COMMISSIONING AND ACTIVATION PHASE

At a minimum, Contractor shall provide the following commissioning and activation services:

- 14.1 Coordinate and conduct final inspections prior to project acceptance and administer acceptance procedures and tests for each phase of the project.
- 14.2 Participate and provide oversight of the construction contractor(s) to develop an activation plan. The plan shall include input from the SEP and meet acceptance criteria developed during the programming phase.
- 14.3 Manage activation activities and prepare written status reports. Status reports shall verify that the facility and all its systems and assemblies are constructed, installed, tested, operated, and maintained to meet the project's requirements.

15. CLOSEOUT PHASE

At a minimum, Contractor shall provide the following closeout phase services:

- 15.1 Coordinate and conduct final inspections prior to project acceptance and administer acceptance procedures and tests for each phase of the project.
- 15.2 Review and report on progress of training or operation and maintenance of new systems as required by the Airport and in accordance with the construction contract specifications.
- 15.3 Support closeout activities for all associated project contracts. Ensure all procedures and documentation conform to Airport standards for the closeout process and ensure compliance with FAA AIP grant requirements.
- 15.4 Support dispute and/or claim resolution analysis and reconciliation efforts.

END OF APPENDIX A

APPENDIX B CALCULATION OF CHARGES

1. GENERAL

- 1.1 As set forth in Section 3.3, "Compensation," of the Agreement, compensation for Services performed under this Agreement will be on a time and materials basis, unless otherwise approved by the Airfield Program Manager.
- 1.2 No charges shall be incurred under this Agreement, nor shall any payments become due to Contractor, until Services, reports, or both required under this Agreement are received from Contractor and approved by the Airport as being in accordance with this Agreement. In no event shall the Airport be liable for interest or late charges for any late payments.

2. METHOD OF PAYMENT

- 2.1 Unless approved otherwise by the Airport, Contractor's services shall be invoiced on a monthly basis and payment will be made within thirty (30) days of receipt of an acceptable invoice with satisfactory backup documentation, approved by the Airfield Program Manager. The term "invoice" shall include Contractor's bill or other written request for payment under this Agreement for Services performed. All invoices shall be made in writing and delivered or mailed to the Airport to the mailing address listed in Section 11.1, "Notices to the Parties," of the Agreement.
- 2.2 Contractor shall invoice for the Services performed in conformance with procedures approved by the Airport.
 - a. Such invoices shall segregate current costs from previously invoiced costs.
 - b. Costs for individual labor shall be segregated by tasks and subtasks, if any.
 - c. In no case shall Contractor's invoices include costs which the Airport has disallowed or otherwise indicated that it will not recognize. Costs shall be invoiced by Contractor's accounting categories and shall be subject to the audit provisions of this Agreement.
 - d. Each invoice shall clearly distinguish Contractor's personnel invoiced at either the home office or field office overhead rate.
 - e. Such invoices shall be, as a minimum: (i) mechanically accurate, (ii) substantially evidenced and properly supported, and (iii) in compliance with generally accepted accounting principles.
- 2.3 Contractor shall also certify, for each invoice, that (i) the rates for direct labor to be paid under this Agreement, whether for Contractor or its subcontractor(s), are not in excess of the rates actually being paid to Contractor's or subcontractor's employees engaged in the performance of Services under this Agreement at that time; and (ii) that such rates are in conformance with the Agreement.
- 2.4 Salaried personnel shall be paid on a maximum of forty (40) hours per week with no overtime. Salaried personnel assigned to multiple projects shall be paid on a pro-rata share of a 40-hour week. Contractor shall provide copies of signed timecards or other verifiable time records

showing all assigned projects and the shared calculation.

- 2.5 The Airport reserves the right to withhold payment(s) otherwise due to Contractor in the event of Contractor's material non-compliance with any of the provisions of the Agreement, including, but not limited to, the requirements imposed upon Contractor in Article 5, "Insurance and Indemnity," of the Agreement. The Airport shall provide notice of withholding and may continue the withholding until Contractor has provided evidence of compliance that is acceptable to the Airport.

3. DIRECT LABOR RATES AND FEES

3.1 Direct Labor Rates and Direct Labor Rate Adjustments

- a. The approved direct labor rate ranges stated in Paragraph 3.5 below shall be in effect for the duration of the Agreement, unless modified at the Airport's sole discretion. Any changes to the direct labor rate ranges must be approved by the Airport and included in a written modification to the Agreement.
- b. Contractor shall request direct labor rate adjustments in accordance with the following procedures:
 - i. At the written request of Contractor, the Airport may approve an annual adjustment to the direct labor rates for individual staff who have been actively providing services under the Agreement for a minimum of one (1) year.
 - ii. If approved by the Airport, the annual rate adjustment will be based on the December increase in the Consumer Price Index (CPI) for the preceding twelve (12) months for the San Francisco Bay Area as published by the U.S. Department of Labor, Bureau of Labor Statistics, under the title of: "All Urban Consumers – San Francisco-Oakland-Hayward, California." This December-based CPI will be used for optional annual rate adjustments for the entire calendar year.
 - iii. The Airport will analyze requests for rate adjustments to determine if the requested adjustment(s) will cause any individual staff's direct labor rates to exceed the approved direct labor rate range for their respective classification. Should any of the new rate(s) exceed the approved direct labor rate range(s), and if the rate adjustment is approved by the Airport, the Airport will modify the Agreement. These new rates will be effective upon certification of the modification to the Agreement.
 - iv. If all new rates fall within the approved direct labor rate ranges, the new rates will be effective upon receipt of written approval from the Airport Program Manager.
- c. No other adjustments will be allowed unless the adjustment is made to meet the requirements of prevailing or minimum wage legislative mandates.

3.2 Overhead Rates

- a. Contractor and approved first-tier subcontractors shall use the following approved overhead rates:

Contractor	Home Office Overhead Rate	Field Office Overhead Rate
AtkinsRéalis USA Inc.	133.73%	115.94%

Approved First-Tier Subcontractors	Home Office Overhead Rate	Field Office Overhead Rate
Applied Materials & Engineering, Inc.	160%	145%
Applied Pavement Technology, Inc.	160%	145%
BKF Engineers	160%	145%
Dabri, Inc.	134.09%	134.09%
Geometrics Engineering PS, Inc.	160%	145%
ISI Inspection Services, Inc.	155.52%	145%
Lean Technology Corporation	134.30%	134.30%

- b. The field office overhead rate shall be applied to the direct labor rates for staff provided with a workstation at the Airport, furnished with normal office equipment and materials including computers, printers, internet access, and office supplies.
- c. The home office overhead rate shall be applied to the direct labor rates for staff working from Contractor's or subcontractor's offices and not provided with an Airport computer. Use of the home office overhead rate requires prior written authorization from the Airport Program Manager.
- d. Annual adjustments to the overhead rate may be requested only from firms that have their overhead rate audited independently by a certified public accountant or other government agency and must be accompanied by an updated audited overhead report. The audited overhead report must adhere to Generally Accepted Government Auditing Standards (GAGAS). The Airport reserves the right to approve, deny, or modify any changes in overhead rates during the term of the Agreement. Overhead rates shall not exceed 145% for field offices and 160% for home offices.
 - i. If Contractor or subcontractor cannot provide an audited overhead report, they may submit a Statement of Direct Labor, Fringe Benefits and General Overhead (financial statement) for the previous year. The Airport will evaluate and if the overhead rate contained within is accepted, this rate will be firm for the duration of the Agreement.
 - ii. Small Business Enterprise (SBE) and Local Business Enterprise (LBE) subcontractors may request to use the Airport's SBE/LBE standard overhead rate of 120% for work completed from a home office and 90% for work completed from a field office if the subcontractor does not have relevant cost history data to use as a basis for overhead and the subcontract value is less than \$1,000,000. If approved, this rate will be firm for the duration of the Agreement.

3.3 Contractor Profit Rate and Markup

- a. A maximum profit rate of 10% may be applied to the sum of the direct labor rates and overhead rates for Services performed by Contractor.
- b. A 2% markup may be applied to first-tier subcontractor invoices.

- c. No markups are allowed on any Other Direct Costs, unless pre-approved in writing by the Airport.

3.4 Subcontractor Profit Rate

- a. Subcontractors performing the Services may apply a maximum profit rate of 10% to the sum of the direct labor rates and overhead rates for Services performed.
- b. No markups are allowed on lower-tier subcontractors.
- c. No markups are allowed on any Other Direct Costs (all tiers), unless pre-approved in writing by the Airport.

3.5 Direct Labor Rate Ranges

The approved direct labor rate ranges are as follows:

Classification	Direct Labor Rate Range	
	Low	High
Administrative Assistant	\$ 27.00	\$ 56.00
Building/Construction Inspector & Field Soils / Material Tester / Group 1 *	\$ 60.00	\$ 87.00
Building/Construction Inspector & Field Soils / Material Tester / Group 2 *	\$ 58.00	\$ 85.00
Building/Construction Inspector & Field Soils / Material Tester / Group 3 *	\$ 51.00	\$ 75.00
Building/Construction Inspector & Field Soils / Material Tester / Group 4 *	\$ 45.00	\$ 67.00
Building/Construction Inspector & Field Soils / Material Tester / Group 5 *	\$ 35.00	\$ 52.00
Building/Construction Inspector & Field Soils / Material Tester / Group 6 *	\$ 32.00	\$ 48.00
Building/Construction Inspector & Field Soils / Material Tester Apprentice / Group 1 *	\$ 32.00	\$ 48.00
Building/Construction Inspector & Field Soils / Material Tester Apprentice / Group 2 *	\$ 35.00	\$ 52.00
Building/Construction Inspector & Field Soils / Material Tester Apprentice / Group 3 *	\$ 38.00	\$ 56.00
Building/Construction Inspector & Field Soils / Material Tester Apprentice / Group 4 *	\$ 41.00	\$ 61.00
Building/Construction Inspector & Field Soils / Material Tester Apprentice / Group 5 *	\$ 49.00	\$ 72.00
Construction Inspector	\$ 45.00	\$ 84.00
Construction Manager	\$ 70.00	\$ 121.00
Cost Estimator I	\$ 40.00	\$ 69.00
Cost Estimator II	\$ 60.00	\$ 90.00
Cost Estimator III	\$ 80.00	\$ 107.00
Design Manager	\$ 70.00	\$ 115.00
Document Control Assistant	\$ 25.00	\$ 41.00
Document Control Manager	\$ 40.00	\$ 69.00

Classification	Direct Labor Rate Range	
	Low	High
Field Surveyor / Chainman/Rodman *	\$ 51.00	\$ 86.00
Field Surveyor / Chief of Party *	\$ 58.00	\$ 99.00
Field Surveyor / Instrumentman *	\$ 53.00	\$ 90.00
Intern	\$ 25.00	\$ 41.00
Lab/Materials Testing Technician I	\$ 40.00	\$ 69.00
Lab/Materials Testing Technician II	\$ 65.00	\$ 96.00
Office Engineer I	\$ 34.00	\$ 69.00
Office Engineer II	\$ 55.00	\$ 84.00
Office Engineer III	\$ 70.00	\$ 96.00
Project Controls Manager	\$ 60.00	\$ 98.00
Project Manager	\$ 85.00	\$ 132.00
Resident Engineer I	\$ 50.00	\$ 79.00
Resident Engineer II	\$ 65.00	\$ 96.00
Resident Engineer III	\$ 80.00	\$ 112.00
Scheduler I	\$ 50.00	\$ 74.00
Scheduler II	\$ 60.00	\$ 96.00
SEP Manager	\$ 70.00	\$ 102.00
Special Inspector	\$ 60.00	\$ 104.00
Special Systems Manager	\$ 75.00	\$ 112.00
Subject Matter Expert	\$ 81.00	\$ 155.00
Surveyor I	\$ 60.00	\$ 84.00
Surveyor II	\$ 70.00	\$ 102.00
Sustainability Manager	\$ 60.00	\$ 102.00
Sustainability Support	\$ 45.00	\$ 76.00

* Rates are subject to yearly increases in accordance with the California Department of Industrial Relations' prevailing wage requirements.

* Subject to second shift differential. Night work = 1.5x. Overtime = 1.5x. Saturday = 1.5x. Sunday = 2x.

4. OTHER DIRECT COSTS

4.1 Only the actual costs incurred by Contractor shall be allowed and invoiced as Other Direct Costs (ODC). Contractor shall not submit any cost in excess of \$500 without prior written authorization from the Airport. There shall be no mark-ups of any kind allowed on costs reimbursed under this Section. Costs shall be allowable only to the extent that costs incurred, or otherwise established prices, are consistent with the Federal Cost Principles (Title 48, Code of Federal Regulations, Part 31).

4.2 The following items may not be included as ODCs:

- a. Phone calls, faxes, mail, express mail, delivery service charges, or other communication charges between members of Contractor's team, regardless of location, including regional phone calls and faxes for all area codes having any geographical land area within 100 miles of San Francisco even though its outlying boundary exceeds the 100-mile limitation;
- b. Internet gateways, email service or other technology-based communication service, FTP

sites, or data file transfer or research services;

- c. Travel by Contractor or subcontractors between its home office and the San Francisco Bay Area;
- d. Travel within a 100-mile radius of San Francisco; travel outside a 100-mile radius of San Francisco, unless pre-approved in writing by the Airport;
- e. In-house coordination materials among Contractor's team and subcontractors, including photocopy and drawing materials, messenger services; and
- f. Food and beverage and/or entertainment charges of any kind unless pre-approved in writing by the Airport.

4.3 Unless authorized by the Airport, the Airport will not reimburse Contractor for the costs of business travel, contractor meals, and accommodations. This includes specialists that are based out of town and not assigned to the jobsite office. Travel and per diem expenses for the project team's management, jobsite personnel, or staff that commute to or from other offices or residences are not allowed. When authorized, travel expenses must be in accordance with the City and County of San Francisco Travel Guidelines, found [here](#).

5. AUDITED INDIRECT COST RATE

- 5.1 Audited Indirect Cost Rate: An indirect cost rate that is established by a cognizant United States government audit agency or by an independent third-party entity.
- 5.2 Overhead costs include overhead on direct salary costs and general and administrative overhead. 48 CFR Part 31 establishes the allowability of indirect costs. Contractor must be capable of validating its applied overhead rates by providing the City with a copy of its audit certification that conforms to acceptable industry audit standards such as the GAGAS or the Generally Accepted Auditing Standards (GAAS). The City shall retain a copy of this certification for future independent audits.
- 5.3 Overhead costs may consist of indirect cost pools:
 - a. Home office overhead costs may include such expenses as office rent, supplies, utilities, and telephone and data communications.
 - b. Indirect overhead costs may include expenses for fringe benefits on direct labor, such as vacation, holiday and severance pay, and sick leave; bona fide pension, retirement, group health, accident, and life insurance plans; and
 - c. General administrative expenses.
- 5.4 Within one hundred eighty (180) days of either (i) the end of Contractor's and subcontractors' fiscal year or (ii) the expiration or any earlier termination of this Agreement, Contractor shall submit to City Contractor's and subcontractors' audited indirect cost rates for the period(s) of time for which a final indirect cost rate has not yet been established. In the event Contractor or subcontractor does not have audited indirect cost rates determined by a cognizant United States government audit agency, then such rates will be established by an independent third-party audit entity.

- 5.5 The audited indirect cost rate shall be used for both (i) developing the basis for the negotiation of the multiplier rate for future contract extensions and (ii) developing the final indirect cost rate used in the reimbursement from the Federal Aviation Administration (FAA) for Contractor's and subcontractors' direct labor costs, overhead costs, and fees for the period when the services were performed.
- 5.6 Contractor shall annually request from its subcontractors their respective overhead rate and provide same to the Airport.

END OF APPENDIX B