

File No. 200668

Committee Item No. 4

Board Item No. 17

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date July 15, 2020

Board of Supervisors Meeting

Date July 21, 2020

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Airport Commission Resolution No. 20-0113</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Airport Commission Resolution No. 18-0096</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Linda Wong

Date July 10, 2020

Completed by: Linda Wong

Date July 17, 2020

1 [Modification to the Airport Professional Services Agreement - Retroactive - Hallmark
2 Aviation Services, L.P. - Airport Information and Guest Assistance Services - Two-Year
3 Contract Extension - Not to Exceed \$41,111,970]

4 **Resolution retroactively approving Modification No. 3 to the Professional Services**
5 **Agreement, Contract No. 50052, between Hallmark Aviation Services, L.P., and the**
6 **City and County of San Francisco, acting by and through its Airport Commission, for**
7 **Airport Information and Guest Assistance Services, extending the term for two years,**
8 **to commence on July 1, 2020, through June 30, 2022, to increase the contract amount**
9 **by \$13,758,746 for a new total contract not to exceed amount of \$41,111,970.**

10
11 WHEREAS, On October 18, 2016, by Resolution No. 16-0265, the Airport Commission
12 awarded Professional Services Contract No. 50052 (the “Agreement”) to Hallmark Aviation
13 Services, L.P. to provide Airport Information and Guest Assistance Services in an amount not
14 to exceed \$11,550,000 for a period of eighteen months commencing January 1, 2017, and
15 expiring June 30, 2018, with three two-year extension options; and

16 WHEREAS, On December 13, 2016, by Resolution No. 533-16, the Board of
17 Supervisors approved the Agreement under Charter, Section 9.118; and

18 WHEREAS, On April 3, 2018, by Resolution No. 18-0096, the Airport Commission
19 approved Modification No. 1 to the Agreement to exercise the first of three two-year extension
20 options for a term of July 1, 2018, through June 30, 2020, to increase the contract amount by
21 \$15,803,224 for a new total contract not to exceed amount of \$27,353,224, and to revise the
22 scope of services and reimbursable charges; and

23 WHEREAS, On May 22, 2018, by Resolution No. 160-18, the Board of Supervisors
24 approved the Agreement under Charter, Section 9.118; and

25

1 WHEREAS, On July 1, 2019, the Airport Director approved Modification No. 2 to the
2 Agreement to increase the Quality Standards Program rates and adjust the cost proposal for
3 FY18-19 and FY19-20 with no increase in the total contract amount; and

4 WHEREAS, On June 16, 2020, by Resolution No. 20-0113, the Airport Commission
5 approved Modification No. 3 to the Agreement to exercise the second of three two-year
6 extension options for a term of July 1, 2020, through June 30, 2022, to increase the contract
7 amount by \$13,758,746 for a new total contract not to exceed amount of \$41,111,970, and to
8 revise the scope of services and reimbursable charges; and

9 WHEREAS, Charter, Section 9.118(b) provides that a modification with an impact of
10 more than \$500,000 to an agreement entered into by a department, board or commission
11 requiring anticipated expenditures by the City of ten million dollars, shall be subject to
12 approval of the Board of Supervisors by Resolution; and

13 WHEREAS, The Modification No. 3 is on file with the Clerk of the Board of Supervisors
14 in File No. 200668, which is hereby declared to be a part of this Resolution as if set forth fully
15 herein; now, therefore, be it

16 RESOLVED, That the Board of Supervisors hereby approves Modification No. 3 to
17 Contract No. 50052 with Hallmark Aviation Services, L.P. to provide Airport Information and
18 Guest Assistance Services, exercising the second of three two-year extension options (July 1,
19 2020, through June 30, 2022), increasing the contract amount by \$13,758,746, for a new total
20 contract not to exceed amount of \$41,111,970, and revising the scope of services and
21 reimbursable charges; and, be it

22 FURTHER RESOLVED, That within thirty (30) days of the Modification No. 3 being
23 fully-executed by all parties, the Airport Commission shall provide the final modification to the
24 Clerk of the Board for inclusion into the official file.

<p>Item 4 File 20-0668</p>	<p>Department: Airport</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would approve the third modification to the existing contract between the Airport and Hallmark to (a) exercise the second of three two-year options to extend the contract from July 1, 2020, through June 30, 2022, in order to provide Information and Guest Services, and (b) increase the contract not-to-exceed amount by \$13,758,746 from \$27,353,224 to \$41,111,970. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • In 2016, the Airport Commission consolidated into one management contract three related services: (a) the Airport Information Desk, (b) customer assistance in the Federal Inspection Services area, and (c) lost and found. The Board of Supervisors approved the original contract between the Airport and Hallmark to provide these services in December 2019 for an initial 18-month term and contract amount of \$11.5 million, and approved the first modification to the contract in May 2018 to extend the term through June 2020 and increase the contract amount to \$27.4 million. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • Total actual and budgeted expenditures through June 2022 are \$38,229,296. Contract staffing and associated expenditures decreased after March 2020 amidst a decline in Airport passengers. The Airport estimates that the FY 2020-21 budget will continue to be reduced due to reduced air travel and passengers. The expectation is that in FY 2021-22 many of the reduced contract posts will be restored. According to Airport staff, due to Covid-19 related uncertainty, significant numbers of contract staff may be reactivated earlier than predicted to staff critical queuing areas. Additionally, contract staff are likely to continue staffing information desks as a consequence of not re-establishing the Airport’s volunteer information desk program as early as originally forecasted due to staff health concerns. Because the contractor is reimbursed for actual expenditures, the Airport will only incur expenses for actual hours worked. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

In 2016, the Airport Commission consolidated into one management contract three related services: (a) the Airport Information Desk, (b) customer assistance in the Federal Inspection Services area, and (c) lost and found.¹ On March 16, 2016, the Airport issued a Request for Proposals (RFP) to award this “Airport Information and Guest Assistance Services” contract, and ultimately selected the highest ranking of the two proposers that responded to the RFP: Hallmark Aviation Services, L.P. (Hallmark).

In December 2016, the Board of Supervisors approved the contract between the Airport and Hallmark in an amount not-to exceed \$11,550,000 for an initial 18-month term to commence January 1, 2017 through June 30, 2018. The contract contained three two-year options to extend the professional services agreement through June 30, 2024.

In May 2018, the Board of Supervisors approved the first modification to the contract to exercise the first of the three two-year extension options for a term from July 1, 2018 through June 30, 2020 and increase the contract amount from \$11,500,000 to \$27,353,224. On July 1, 2019, the Airport Director administratively approved the second modification to the contract to increase the labor rate to the new Quality Standards Program rate.²

DETAILS OF PROPOSED LEGISLATION

The proposed resolution approves the third modification to the contract between the Airport Commission and Hallmark Aviation Services, L.P. (Hallmark) which would: a) increase the contract amount by \$13,758,746, from \$27,353,224 to not to exceed \$41,111,970; and, b) extend the contract term by two years from July 1, 2020 through June 30, 2022 for a total of five years and six months, from January 1, 2017 through June 30, 2022.

¹ According to the Airport Director, the customer assistance in the Federal inspection Services area serves 6.5 million guests annually, and the Information Desk serves more than 1.5 million guests annually.

² Under the QSP, the minimum hourly rate for covered employees will increase effective July 1, 2020. The minimum hourly wage is at all times \$0.50 an hour above the current San Francisco Minimum Wage. <https://media.flysfo.com/media/Quality-Standards-Program-2016.pdf>.

Services Provided

The Airport Information and Guest Assistance Services contract is comprised of three services:³

- (a) Airport Information Desk Program, providing information to the public on airport services, transportation, visitor attractions, and other services at 11 information desks in Airport Terminals 1, 2, and 3 and the International Terminal. This service is performed by Polaris Research and Development, Inc. (Polaris), which is a Local Business Enterprise subcontracted by Hallmark. Polaris provided these services to the Airport prior to the 2016 contract consolidation.
- (b) Guest Assistance in the International Terminal, consisting primarily of queue management and assistance with Automated Passport Control kiosks, and
- (c) Airport's Lost and Found program, which aims to reunite customers with their belongings and is operated 24 hours daily, 365 days a year.

Performance Monitoring

Under the existing contract, the Airport staff conducts a quarterly review of Hallmark's performance based on 10 criteria, including staff on duty at all locations, reports of transit pass sales, customer service ratings, complaint investigations and foreign language requirements. Hallmark received an "Outstanding" five out of five score on each of these metrics in the 2019 fourth quarter audit.⁴

FISCAL IMPACT

Appendix B of the contract states that the Airport will only reimburse the contractor for actual costs. Actual and projected contract expenditures from January 2017 through June 2020 are \$24,470,550.⁵ According to Mr. Christopher Birch, Airport Director of Guest Experience, contract staffing and associated expenditures decreased after March 2020 when Airport passengers decreased, and therefore, contract expenditures did decrease between March 2020 and June 2020.

The contract budgets for FY 2020-21 and FY 2021-22 depend on staffing levels which are uncertain due to operational adjustments amidst decreased passenger travel during the COVID-19 pandemic. Actual and budgeted contract expenditures are \$38,229,296, as shown in Table 1 below.

³ Appendix A "Scope of Services" to original contract.

⁴ Q4 2019 Performance Measures Report of Hallmark Aviation Services.

⁵ According to budget data from January 2017 through June 2020 provided to the Budget & Legislative Analyst's Office by Airport staff.

Table 1: Total Contract Expenditures from January 1, 2017 through June 30, 2022

	Management Fee	Hallmark Salaries and Benefits	Polaris Salaries and Benefits	Other Operating Expenses	Total
Actual and Projected Expenditures					
FY 2016-17 (6 months)	\$742,824	\$1,454,691	\$1,002,094	\$55,852	\$3,255,460
FY 2017-18	1,485,648	2,914,376	2,110,609	76,034	6,586,667
FY 2018-19	1,485,648	3,679,852	2,212,094	162,229	7,539,823
FY 2019-20	1,485,648	3,311,304	2,127,824	163,825	7,088,600
Subtotal	\$5,199,768	\$11,360,221	\$7,452,622	\$457,939	\$24,470,550
Budgeted Expenditures					
FY 2020-21	\$1,411,366	\$2,571,354	\$2,396,491	\$187,307	\$6,566,518
FY 2021-22	1,411,366	3,199,819	2,396,491	184,552	7,192,228
Subtotal	\$2,822,732	\$5,771,173	\$4,792,982	\$371,859	\$13,758,746
Total	\$8,022,500	\$17,131,394	\$12,245,604	\$829,798	\$38,229,296

Source: Airport

The Airport estimates that the FY 2020-21 budget will decline by 18 percent to \$6,566,518, with salaries and benefits accounting for the bulk of these reductions. The expectation is that in FY 2021-22 many of the reduced Hallmark posts will be restored, while Polaris staffing will remain the same. According to Mr. Birch, due to Covid-19 related uncertainty, significant numbers of Hallmark staff may be reactivated earlier than predicted to staff critical queuing areas. Additionally, Hallmark staff are likely to continue staffing information desks as a consequence of not re-establishing the Airport's volunteer information desk program as early as originally forecasted due to staff health concerns. Because the contractor is reimbursed for actual expenditures, as noted above, the Airport will only incur expenses for actual hours worked.

Budgeted positions under the proposed contract are shown in Table 2 below.

Table 2: Budgeted Full Time Equivalent (FTE) Positions

	Hallmark	Polaris	Total
FY 2016-17 (6 months)	39.30	19.70	59.00
FY 2017-18	78.60	39.40	118.00
FY 2018-19	72.70	37.60	110.30
FY 2019-20	72.70	37.60	110.30
FY 2020-21	44.20	36.70	80.90
FY 2021-22	55.00	36.70	91.70

Source: Contract and Modifications

According to Mr. Birch, due to the financial impacts that the Airport and City are currently experiencing as a result of the COVID-19 pandemic, City requested that all service contractors reduce the management fees by at least 5 percent under their contracts. Accordingly, under this amended contract, the management fee for the next two years starting with the term July 1, 2020 to June 30, 2021 is reduced by 5 percent annually from \$1,485,648 to \$1,411,366. The

management fee is a fixed fee, which in the original contract and first modification equaled 24 percent of salaries and benefits. Under the proposed modification, even with the reduction in the management fee, the management fee increases to 28 percent of salaries and benefits. According to Mr. Birch, the management fee percentage of total costs has increased since the Quality Standards Program (QSP) hourly rate increased on July 1, 2020 and the Airport negotiated an incremental increase in health insurance reimbursement rates for Hallmark.

The contract is funded by Airport operating revenues. According to Mr. Christopher Birch, sufficient funds to pay for the contract will be included in the proposed FY 2020-21 and FY 2021-22 budget to be reviewed by the Board of Supervisors in August 2020.

RECOMMENDATION

Approve the proposed resolution.

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

Modification No. 3

THIS MODIFICATION (this "Modification") is made as of July 1, 2020, in San Francisco, California, by and between **Hallmark Aviation Services, L.P.** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission, hereinafter referred to as "**Commission.**"

RECITALS

- A. City and Contractor have entered into the Agreement (as defined below); and
- B. The City has approved the contracting-out of the services under the Agreement upon the certification of the Controller that the services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels, see Board of Supervisors Resolution No. 307-16, adopted July 19, 2016; and
- C. On October 18, 2016, by Resolution No. 16-0265, the Commission awarded the Agreement to the Contractor for a term of 18 months and a not-to-exceed amount of \$11,550,000; and
- D. On December 13, 2016, by Resolution No. 533-16, the Board of Supervisors approved the Agreement under San Francisco Charter Section 9.118; and
- E. On April 3, 2018, by Resolution No. 18-0096, the Commission exercised the first of three two-year options to extend and approved Modification No. 1 ("Modification No. 1"), extending the term of the Agreement by two years, increasing the total contract not-to-exceed amount to \$27,353,224 and modifying the Scope of Work and Calculation of Charges; and
- F. On May 22, 2018, by Resolution No. 160-18, the Board of Supervisors approved Modification No. 1 under San Francisco Charter Section 9.118; and
- G. On July 1, 2019, the Airport Director approved Modification No. 2, to modify the contract to increase the labor rate to the new QSP rate and update standard contractual clauses; and
- H. Due to the financial impacts that the Airport and City are currently experiencing as a result of the COVID-19 pandemic, City requested that all professional service contractors reduce hourly rates under their contracts, which will assist in maintaining the financial feasibility of Airport's continued procurement of Services under this Agreement, of acknowledged value to Contractor;
- I. City and Contractor desire to further modify the Agreement on the terms and conditions set forth herein to modify the contract to increase the labor rate to the new QSP rate, reduce the management fee by 5%, and exercise the two-year option; and
- J. On June 16, 2020, by Resolution No. 20-0113, the Commission exercised the second of three two-year options to extend and approved Modification No. 3 ("Modification No. 3"), extending the term of the Agreement by two years, increasing the contract in an amount not to exceed \$13,758,746, for a new total not-to-exceed contract amount of \$41,111,970; and



K. On [Date], by Resolution No. [xx-xxx], the Board of Supervisors approved Modification No. 1 under San Francisco Charter Section 9.118; and

L. The Local Business Entity ("LBE") subcontracting participation requirement for this Agreement is 5%.

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

1. **Definitions.** The following definitions shall apply to this Modification:
2. **Article 1. Definitions, 1.1 Agreement** has been revised. The definition "Agreement" shall mean the Agreement dated October 19, 2016 between Contractor and City, as amended by Modification No. 1, dated April 3, 2018, and Modification No. 2, dated July 1, 2019.
3. **Appendix B-1 Calculation of Charges** is amended to include **Cost Proposal Table B.1.3 July 1, 2020 through June 30, 2021** and **Cost Proposal Table B.1.4 July 1, 2021 through June 30, 2022** as follows:

Appendix B-1 Cost Proposal Table B-1.3 July 1, 2020 through June 30, 2021



July 1, 2020 through June 30, 2021 Cost Proposal - Airport Information and Guest Assistance Services

Direct Labor Costs	FTE	Budgeted	Hourly Rate	Total Cost
<i>Hallmark</i>				
International Arrival Ambassador	38.4	79,872	\$ 18.74	\$ 1,496,801.28
Lost & Found Agent	2.2	4,576	\$ 18.74	\$ 85,754.24
Lost & Found Lead	0.7	1,456	\$ 21.45	\$ 31,231.20
International Arrival Ambassador Lead	2.9	6,032	\$ 21.45	\$ 129,386.40
Totals - Hallmark	44.2	91,936		\$ 1,743,173.12

<i>Polaris</i>				
Guest Service Ambassador	26.0	54,080	\$ 19.13	\$ 1,034,550.40
Guest Service Ambassador Supervisor	8.2	17,056	\$ 20.51	\$ 349,818.56
Volunteer Program Coordinator	2.0	4,160	\$ 38.68	\$ 160,908.80
Volunteer Program Coordinator - PT	0.5	1,040	\$ 38.68	\$ 40,227.20
Totals - Polaris	36.7	76,336		\$ 1,585,504.96

TOTAL DIRECT LABOR \$ 3,328,678.08

Indirect Labor Costs	Fringe Percent	Total Cost
<i>Hallmark</i>		
Health, Dental, Life Insurance	0.2228	\$ 388,378.97
Worker's Compensation	0.0354	\$ 61,708.33
FICA, FUTA SUI	0.11	\$ 191,749.04
Personal Leave	0.0462	\$ 80,534.60
Holiday premium	0.0192	\$ 33,468.92
401K Matching	0.032	\$ 55,781.54
Staff Welfare & Morale	0.0095	\$ 16,560.14
Totals - Hallmark		\$ 828,181.55

Indirect Labor Costs	Fringe Percent	Total Cost
<i>Polaris</i>		
Health, Dental, Life Insurance	0.1425	\$ 225,934.46
Worker's Compensation	0.02	\$ 31,710.10
FICA, FUTA SUI	0.1013	\$ 160,611.65
Personal Leave	0.147	\$ 233,069.23
Holiday premium	0.0192	\$ 30,441.70
401K Matching	0.0335	\$ 53,114.42
Staff Welfare & Morale	0.008	\$ 12,684.04
401K Profit Sharing	0.04	\$ 63,420.20
Totals - Polaris		\$ 810,985.79

TOTAL INDIRECT LABOR \$ 1,639,167.34



Management Fee	July 1, 2020 through June 30, 2021
Management Fee	\$ 1,411,366.00

TOTAL MANAGEMENT FEE \$ 1,411,366.00

Other Direct Costs

Office Equipment and Technical Support	\$ 49,307.23
Reward & Recognition	\$ 10,000.00
Uniform and Dry Cleaning	\$ 70,000.00
ADM Guest Support Supplies	\$ 15,000.00
Performance Bond	\$ 38,000.00
Fringe Reimbursement	\$ 5,000.00

TOTAL OTHER DIRECT COSTS \$ 187,307.23

Total July 1, 2020 through June 30, 2021 Cost Proposal \$ 6,566,518.65



Appendix B-1 Cost Proposal Table B-1.4 July 1, 2021 through June 30, 2022

July 1, 2021 through June 30, 2022 Cost Proposal - Airport Information and Guest Assistance Services

Direct Labor Costs	FTE	Budgeted	Hourly Rate	Total Cost
<i>Hallmark</i>				
International Arrival Ambassador	48.1	100,048	\$ 18.74	\$ 1,874,899.52
Lost & Found Agent	2.4	4,992	\$ 18.74	\$ 93,550.08
Lost & Found Lead	1.0	2,080	\$ 21.45	\$ 44,616.00
International Arrival Ambassador Lead	3.5	7,280	\$ 21.45	\$ 156,156.00
Totals - Hallmark	55.0	114,400		\$ 2,169,221.60
<i>Polaris</i>				
Guest Service Ambassador	26.0	54,080	\$ 19.13	\$ 1,034,550.40
Guest Service Ambassador Supervisor	8.2	17,056	\$ 20.51	\$ 349,818.56
Volunteer Program Coordinator	2.0	4,160	\$ 38.68	\$ 160,908.80
Volunteer Program Coordinator - PT	0.5	1,040	\$ 38.68	\$ 40,227.20
Totals - Polaris	36.7	76,336		\$ 1,585,504.96

TOTAL DIRECT LABOR \$ 3,754,726.56

Indirect Labor Costs	Fringe Percent	Total Cost
<i>Hallmark</i>		
Health, Dental, Life Insurance	0.2228	\$ 483,302.57
Worker's Compensation	0.0354	\$ 76,790.44
FICA, FUTA SUI	0.11	\$ 238,614.38
Personal Leave	0.0462	\$ 100,218.04
Holiday premium	0.0192	\$ 41,649.05
401K Matching	0.032	\$ 69,415.09
Staff Welfare & Morale	0.0095	\$ 20,607.61
Totals - Hallmark		\$ 1,030,597.18

Indirect Labor Costs	Fringe Percent	Total Cost
<i>Polaris</i>		
Health, Dental, Life Insurance	0.1425	\$ 225,934.46
Worker's Compensation	0.02	\$ 31,710.10
FICA, FUTA SUI	0.1013	\$ 160,611.65
Personal Leave	0.147	\$ 233,069.23
Holiday premium	0.0192	\$ 30,441.70
401K Matching	0.0335	\$ 53,114.42
Staff Welfare & Morale	0.008	\$ 12,684.04
401K Profit Sharing	0.04	\$ 63,420.20
Totals - Polaris		\$ 810,985.79

TOTAL INDIRECT LABOR \$ 1,841,582.97



Management Fee	July 1, 2021 through June 30, 2022
Management Fee	\$ 1,411,366.00

TOTAL MANAGEMENT FEE \$ 1,411,366.00

Other Direct Costs

Office Equipment and Technical Support	\$ 46,551.87
Reward & Recognition	\$ 10,000.00
Uniform and Dry Cleaning	\$ 70,000.00
ADM Guest Support Supplies	\$ 15,000.00
Performance Bond	\$ 38,000.00
Fringe Reimbursement	\$ 5,000.00
TOTAL OTHER DIRECT COSTS	\$ 184,551.87


Total July 1, 2021 through June 30, 2022 Cost Proposal \$ 7,192,227.40

4. Effective Date. Each of the changes set forth in this Modification shall be effective on and after the date of this Modification.

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



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

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By: _____ Ivar C. Satero, Airport Director	 Authorized Signature
Approved as to Form: Dennis J. Herrera City Attorney	<u>Phillip Huber</u> Printed Name <u>President</u> Title
By _____ Christopher Stuart Deputy City Attorney	<u>Hallmark Aviation Services L.P.</u> Company Name
	<u>0000019096</u> City Supplier Number
	<u>5757 W. Century Boulevard, Suite 860</u> Address
	<u>Los Angeles, CA 90045</u> City, State, ZIP
	<u>310-215-7213</u> Telephone Number
	<u>95-4217627</u> Federal Employer ID Number



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

Agreement between the City and County of San Francisco and

Hallmark Aviation Services, L.P.

Contract No. 50052

This Agreement is made this 19th day of October, 2016, in the City and County of San Francisco, State of California, by and between: Hallmark Aviation Services, L.P. 5757 West Century Blvd, Suite 860 Los Angeles, CA 90045 (the "Contractor") and the City and County of San Francisco, a municipal corporation (the "City"), acting by and through its Airport Commission (the "Commission").

Recitals

- A. The Commission wishes to provide guest assistance at Information Desks, in the Federal Inspection Services (FIS) Area upon arrival, and a 24-hour Lost and Found facility for the San Francisco International Airport (the "Airport" or "SFO"); and
- B. The Commission is authorized to enter into all contracts which relate to matters under its jurisdiction; and
- C. On March 16, 2016, the Commission issued a Request for Proposals ("RFP") 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 October 18, 2016, by Resolution No. 16-0265, the Commission awarded this Agreement to the Contractor for a term of 18 months and a not-to-exceed amount of \$11,550,000; and
- E. On *December 13, 2016*, by Resolution No. *533-16*, the Board of Supervisors approved the Agreement under San Francisco Charter Section 9.118; and
- F. The City has approved the contracting-out of the services under this Agreement upon the certification of the Controller that the services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels, see Board of Supervisors Resolution No. 307-16, adopted July 19, 2016; and
- G. The Local Business Entity ("LBE") subcontracting participation requirement for this Agreement is 5%; and
- H. The Contractor represents and warrants that it is qualified to perform the services required by City under this Agreement.

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 by reference into this Agreement.
- 1.2 "City" or "the 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, referred to as "Purchasing," or the Director's designated agent, Airport Commission.
- 1.3 "CMD" means the Contract Monitoring Division of the City.
- 1.4 "Contractor" or "Consultant" means Hallmark Aviation Services, L.P. 5757 West Century Blvd, Suite 860, Los Angeles, CA 90045.
- 1.5 "Deliverables" means Contractor's work product resulting from the Services that are 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.
- 1.6 "Effective Date" means the date upon which the City's Controller certifies the availability of funds for this Agreement as provided in Section 3.1.
- 1.7 "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.
- 1.8 "Party" and "Parties" mean the City and Contractor either collectively or individually.
- 1.9 "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 The term of this Agreement shall commence on the latter of: (i) January 1, 2017; or (ii) the Effective Date and expire on June 30, 2018, unless earlier terminated as otherwise provided in this Agreement.
- 2.2 The City has three (3) options to extend the Agreement for a period of two (2) years each. The City may extend this Agreement beyond the expiration date by exercising an option at the City's sole and absolute discretion and by modifying this Agreement as provided in Section 11.5, "Modification of this Agreement."

Article 3 Financial Matters

- 3.1 **Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of the City's Charter.

Charges will accrue only after prior written authorization certified by the Controller, and the amount of City's obligation under this Agreement 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.

3.2 **Guaranteed Maximum Costs.** The 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 the 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."

3.3 **Compensation.**

3.3.1 **Payment.** Contractor shall provide an invoice to the City on a monthly basis for Services completed in the immediate preceding month, unless a different schedule is set out in Appendix B, "Calculation of Charges." Compensation shall be made for Services identified in the invoice that the Airport Director, in his or her sole discretion, concludes has been satisfactorily performed. Payment shall be made within 30 calendar days of receipt of the invoice, unless the City notifies the Contractor that a dispute as to the invoice exists. In no event shall the amount of this Agreement exceed eleven million five hundred fifty thousand dollars (\$11,550,000). The breakdown of charges associated with this Agreement appears in Appendix B, "Calculation of Charges," attached and incorporated by reference as though fully set forth in this Agreement. In no event shall City be liable for interest or late charges for any late payments.

3.3.2 **Payment Limited to Satisfactory Services.** Contractor is not entitled to any payments from City until Airport Commission approves Services, including any furnished Deliverables, as satisfying all of the requirements of this Agreement. Payments to Contractor by City shall not excuse Contractor from its obligation to replace unsatisfactory Deliverables, including equipment, components, materials, or Services even if the unsatisfactory character of such Deliverables, equipment, components, materials, or Services may not have been apparent or detected at the time such payment was made. The City may reject deliverables, equipment, components, materials and Services that do not conform to the requirements of this Agreement and in such case must be replaced by Contractor without delay at no cost to the City.

3.3.3 **Withholding Payments.** If Contractor fails to provide Services consistent with Contractor's obligations under this Agreement, the City may withhold any and all payments due 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 in this Agreement.

3.3.4 **Invoice Format.** Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller and City, and must include a unique invoice number. The City shall make payment to Contractor at the address specified in Section 11.1, "Notices to the Parties," or in such alternate manner as the Parties have mutually agreed upon in writing.

3.3.5 **LBE Payment and Utilization Tracking System.** Contractor must submit all required payment information using the online LBE Utilization Tracking System (LBEUTS) as required by CMD to enable the City to monitor Contractor's compliance with the LBE subcontracting commitments in this Agreement. Contractor shall pay its LBE subcontractors within three working days after receiving payment from the City, except as otherwise authorized by the LBE Ordinance. The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of all required CMD payment information. Failure to submit all required payment information to the LBEUTS with each payment request may result in the Controller withholding 20% of the payment due pursuant to that invoice until the required payment information is provided. Following City's payment of an invoice, Contractor has ten calendar days to acknowledge using the online LBEUTS that all subcontractors have been paid. Contractor shall attend a LBEUTS training session. LBEUTS training session schedules are available at www.sfgov.org/lbeuts.

3.3.6 **Getting paid for goods and/or services from the City.**

(a) All City vendors receiving new contracts, contract renewals, or contract extensions must sign up to receive electronic payments through Paymode-X, the City's third party service that provides Automated Clearing House (ACH) payments. Electronic payments are processed every business day and are safe and secure. To sign up for electronic payments, visit www.sfgov.org/ach.

(b) The following information is required to sign up: (i) The enroller must be their company's authorized financial representative, (ii) the company's legal name, main telephone number and all physical and remittance addresses used by the company, (iii) the company's U.S. federal employer identification number (EIN) or Social Security number (if they are a sole proprietor), and (iv) the company's bank account information, including routing and account numbers.

3.4 **Audit and Inspection of Records.** Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its Services. Contractor will permit City to audit, examine and make excerpts and transcripts from 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 fewer than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any Federal agency having an interest in the subject matter of this Agreement shall have the same rights as conferred upon City by this Section. Contractor shall include the same audit and inspection rights and record retention requirements in all subcontracts.

3.5 **Submitting False Claims; Monetary Penalties.** The full text of San Francisco Administrative Code §§ 21.35, including the enforcement and penalty provisions, is incorporated into this Agreement. Under San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d)

knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

Article 4 Services and Resources

4.1 Services Contractor Agrees to Perform. Contractor agrees to perform the Services provided for in Appendix A, "Scope of Services." Officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Services beyond the Scope of Services listed in Appendix A, unless Appendix A is modified as provided in Section 11.5, "Modification of this Agreement."

If Appendix A includes as-needed services, such services shall be requested by City through the issuance of a written task order signed by City and Contractor, which task order shall be made a part of and incorporated into the Agreement as though fully set forth in this Agreement without the need for a formal amendment to the Agreement. The task order shall include a description of the as-needed services, the deliverables, schedule for performance, cost, and method and timing of payment.

4.2 Qualified Personnel. Contractor shall utilize only competent personnel under the supervision of, and in the employment of, Contractor (or Contractor's authorized subcontractors) to perform the Services. 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 adequate resources to allow timely completion within the project schedule specified in this Agreement.

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 subcontractor: Polaris Research & Development, Inc.

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

4.4.1 Independent Contractor. For the purposes of this Article 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 or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor, its agents, and employees will not represent or hold themselves out to be employees of the City at any time. Contractor or any agent or employee of 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 or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. 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 agent or employee of

Contractor. Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement. 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, or any agent or employee of Contractor, is not performing consistent with the requirements of this Agreement, City shall provide Contractor with written notice of such failure. Within five (5) business days of Contractor's receipt of such notice, and consistent with Contractor policy and procedure, Contractor shall remedy the deficiency. If City believes that an action of Contractor, or any agent or employee 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 pursuant to the preceding two paragraphs shall be solely for 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 save 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 and neither this Agreement nor any duties or obligations may be assigned or delegated by Contractor 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 Warranty. Contractor warrants to City that the Services will be performed with the degree of skill and care that is required by current, good and sound professional procedures and practices, and in conformance with generally accepted professional standards prevailing at the time the Services are performed so as to ensure that all Services performed are correct and appropriate for the purposes contemplated in this Agreement.

4.7 Liquidated Damages. By entering into this Agreement, Contractor agrees that in the event the Services are delayed beyond the scheduled milestones and timelines as provided in Appendix A, City will suffer actual damages that will be impractical or extremely difficult to determine. Contractor agrees that the liquidated damages in 4.7.1 for each day/incident of delay and timelines is not a penalty, but is a reasonable estimate of the loss that City will incur based on the delay, established in light of the circumstances existing at the time this Agreement was awarded. City may deduct a sum representing the liquidated damages from any money due to Contractor under this Agreement or any other contract between City and Contractor. Such deductions shall not be considered a penalty, but rather agreed upon monetary damages sustained by City because of Contractor's failure to furnish deliverables to City within the time fixed or such extensions of time permitted in writing by City.

4.7.1 The following liquidated damages may be imposed by the Airport on the Contractor on the basis of each violation per day committed by the Contractor or the Contractor's employees:

- Insufficient employees to staff all duty positions- \$1,000/Shift
- Failure to provide written reports as directed by Airport staff- \$500/Day
- Soliciting on behalf of a ground transportation operator- \$500/Incident
- Steering customers to a specific ground transportation operator for personal economic gain, favors, or other benefit- \$500/Incident
- Employee not in full uniform- \$250/Incident
- Misuse of Airport credentials- \$500/Incident
- Improper handling or removal of Lost and Found items - \$1,000/Incident

The Airport's right to impose the foregoing liquidated damages shall be in addition to and not in lieu of any and all other rights hereunder, in the Airport Rules and Regulations, or a law or in equity. Airport shall have no obligation to Contractor to impose liquidated damages on or otherwise take action on any other tenant, contractor, or user at the Airport. The Contractor agrees that a violation of any of the above shall result in Airport incurring damages which are impractical or impossible to determine. The Contractor agrees that the above fines are a reasonable approximation of such damages.

4.8 **Bonding Requirements.** Contractor is required to furnish a performance bond in a sum of not less than three million eight hundred thousand dollars (\$3,800,000) to guarantee the faithful performance of this Agreement. The bond shall be in the form of: (a) a surety bond naming City as obligee in the form attached as Appendix G-1; or (b) a letter of credit naming City as beneficiary in the form attached as Appendix G-2, and otherwise in a form approved by City. Contractor shall cause the bond or letter of credit to be kept in full force and effect during the term of this Agreement to ensure the faithful performance by Contractor of all covenants, terms, and conditions of this Agreement. Contractor shall cause the surety company or bank issuing such bond or letter of credit to give City notice in writing by registered mail at least forty-five (45) days prior to the expiration date of such bond or letter of credit of its intention not to renew or to cancel or terminate said bond or letter of credit. Contractor shall cause such bond or letter of credit to be renewed, extended, or replaced, at Contractor's sole cost, at least thirty (30) days before the expiration date or cancellation date of the bond or letter of credit, with another bond or letter of credit that complies with the requirements herein. If Contractor fails to do so, City may, without notice to Contractor, draw on the entirety of the bond or letter of credit and hold the proceeds thereof as a guarantee hereunder. If Contractor defaults with respect to any provision of this Agreement, City may use, apply or retain all or any portion of the proceeds of the bond or letter of credit for the payment of any sum to which City may become obligated by reason of Contractor's default or to compensate City for any loss or damage which City may suffer thereby.

Article 5 Insurance and Indemnity

5.1 Insurance.

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

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

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

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

5.1.2 Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

(a) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(b) 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 insurance applies separately to each insured against whom claim is made or suit is brought.

5.1.3 All policies shall be endorsed to provide thirty (30) days' advance written notice to the City of cancellation for any reason, intended non-renewal, or reduction in coverages. Notices shall be sent to the City address set forth in Section 11.1, entitled "Notices to the Parties."

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

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

5.1.6 Before commencing any Services, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements 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.

5.1.7 The Workers' Compensation policy(ies) shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

5.1.8 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, its officers, agents and employees and the Contractor as additional insureds.

5.2 **Indemnification.** 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 claims,

demands, losses, damages, costs, expenses, and liability (legal, contractual, or otherwise) arising from or in any way connected with 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 personally 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 that are inconsistent with the requirements of this Agreement applicable to subcontractors; so long as such injury, violation, loss, or strict liability (as set forth in subsections (i) – (v) above) arises directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is 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 indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City.

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.

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.

Article 6 Liability of the Parties

6.1 Liability of City. CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 3.3.1, "PAYMENT," OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

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

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

Article 7 Payment of Taxes

7.1 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 the City to verify Contractor's compliance with any State requirements for reporting sales and use tax paid by City under this Agreement.

7.2 Contractor acknowledges that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of City property for private gain. If such a possessory interest is created, then the following shall apply:

7.2.1 Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest.

7.2.2 Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

7.2.3 Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

7.2.4 Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

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. The notice shall specify the date on which termination shall become effective.

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 effect the termination of this Agreement on the date specified by City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Such actions shall include, without limitation:

(a) Halting the performance of all Services under this Agreement on the date(s) and in the manner specified by City.

(b) Terminating all existing orders and subcontracts, and not placing any further orders or subcontracts for materials, Services, equipment or other items.

(c) At City's direction, assigning to City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

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

(e) Completing performance of any Services that City designates to be completed prior to the date of termination specified by City.

(f) Taking such action as may be necessary, or as the City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which City has or may acquire an interest.

8.1.3 Within 30 days after the specified 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 prior to the specified termination date, for which Services City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for Services. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

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

(c) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the City or otherwise disposed of as directed by the City.

(d) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of 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 specified by City, except for those costs specifically enumerated and described 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 pursuant to the immediately preceding subsection 8.1.4; and (iv) in instances in which, in the opinion of the 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.	10.4	Nondisclosure of Private, Proprietary or Confidential Information
4.5	Assignment	10.10	Alcohol and Drug-Free Workplace
Article 5	Insurance and Indemnity	10.13	Working with Minors
Article 7	Payment of Taxes	11.10	Compliance with Laws

(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 into this Agreement by reference, and such default continues for a period of ten days after written notice thereof from City to Contractor.

(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 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 or (iii) ordering the dissolution, winding-up or liquidation of Contractor.

8.2.2 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 pursuant to 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 the 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 by registered mail to the address set forth in 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.

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		9.2	Works for Hire
3.4	Audit and Inspection of Records		10.4	Nondisclosure of Private, Proprietary or Confidential Information
3.5	Submitting False Claims		11.6	Dispute Resolution Procedure
Article 5	Insurance and Indemnity		11.7	Agreement Made in California; Venue
6.1	Liability of City		11.8	Construction
6.3	Liability for Incidental and Consequential Damages		11.9	Entire Agreement
Article 7	Payment of Taxes		11.10	Compliance with Laws
8.1.6	Payment Obligation		11.11	Severability
9.1	Ownership of Results			

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, including any drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors, shall become the property of and will be transmitted to City. However, unless expressly prohibited elsewhere in this Agreement, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

9.2 **Works for Hire.** If, in connection with Services, Contractor or its subcontractors creates Deliverables including, without limitation, artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes, or any other original works of authorship, whether in digital or any other format, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works shall be the property of the City. If any Deliverables created by Contractor or its subcontractor(s) under this Agreement are ever determined not to be works for hire under U.S. law, Contractor assigns all Contractor's copyrights to such Deliverables to the 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 subcontractor(s). With City's prior written approval, Contractor and its subcontractor(s) may retain and use copies of such works for reference and as documentation of their respective experience and capabilities.

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 into this Agreement by reference. 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 www.sfgov.org under "Government."

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 the 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 the 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 Nondisclosure of Private, Proprietary or Confidential Information.

10.4.1 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 consistent 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.

10.4.2 In the performance of Services, Contractor may have access to City's proprietary or confidential information, the disclosure of which to third parties may damage City. If City discloses proprietary or confidential information to Contractor, 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.

10.5 Nondiscrimination Requirements

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

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

10.6 **Local Business Enterprise and Non-Discrimination in Contracting Ordinance.** Contractor shall comply with all applicable provisions of Chapter 14B ("LBE Ordinance"). Contractor is subject to the enforcement and penalty provisions in Chapter 14B. Contractor shall utilize LBE Subcontractors for at least 5% of the Services except as otherwise authorized in writing by the Director of CMD. Contractor shall incorporate the requirements of the LBE Ordinance in each subcontract made in the fulfillment of Contractor's LBE subcontracting commitments.

10.7 **Minimum Compensation Ordinance.** Contractor shall pay covered employees no less than the minimum compensation required by San Francisco Administrative Code Chapter 12P. Contractor is subject to the enforcement and penalty provisions in Chapter 12P. By signing and executing this Agreement, Contractor certifies that it is in compliance with Chapter 12P.

10.8 **Health Care Accountability Ordinance.** Contractor shall comply with San Francisco Administrative Code Chapter 12Q. Contractor shall choose and perform one of the Health Care Accountability options set forth in San Francisco Administrative Code Chapter 12Q.3. Contractor is subject to the enforcement and penalty provisions in Chapter 12Q.

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

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

other controlled substances for which the individual lacks a valid prescription. Alcohol abuse means possessing, furnishing, selling, offering, or using alcoholic beverages, or being under the influence of alcohol.

10.11 Limitations on Contributions. By executing this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the 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, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. 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 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Contractor must inform each such person of the limitation on contributions imposed by Section 1.126 and provide the names of the persons required to be informed to City.

10.12 Slavery Era Disclosure – Not applicable.

10.13 Working with Minors – Not Applicable.

10.14 Consideration of Criminal History in Hiring and Employment Decisions

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

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

10.15 Public Access to Nonprofit Records and Meetings – Not applicable.

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 provided remedies for noncompliance.

10.17 **Sugar-Sweetened Beverage Prohibition.** Contractor agrees that it will not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Agreement.

10.18 **Tropical Hardwood and Virgin Redwood Ban.** Under San Francisco Environment Code Section 804(b), the 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.

10.19 **Preservative Treated Wood Products – Not applicable.**

Article 11 General Provisions

11.1 **Notices to the Parties.** Unless otherwise indicated in this Agreement, all written communications sent by the Parties may be by U.S. mail or e-mail, and shall be addressed as follows:

To City: Christopher Birch, Director, Guest Experience,
San Francisco International Airport, P.O. Box 8097, San Francisco, CA 94128
christopher.birch@flysfo.com

To Contractor: Philipp Huber, President, Hallmark Aviation Services, L.P.
5757 West Century Blvd, Suite 860, Los Angeles, CA 90045
philipphuber@hallmark-aviation.com

Any notice of default must be sent by registered mail. Either Party may change the address to which notice is to be sent by giving written notice thereof to the other Party. If email notification is used, the sender must specify a receipt notice.

11.2 **Compliance with Americans with Disabilities Act.** Contractor shall provide the Services in a manner that complies with the Americans with Disabilities Act (ADA), including but not limited to Title II's program access requirements, and all other applicable federal, state and local disability rights legislation.

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

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

11.3.2 Gateway providers shall have appropriate Payment Card Industry Data Security Standards (PCI DSS) certification as service providers (<https://www.pcisecuritystandards.org/index.shtml>). Compliance with the PCI DSS shall be achieved through a third party audit process. To ensure the safe handling of credit cardholder information, Contractor will implement and maintain ongoing compliance with the PCI DSS for all systems they are responsible for at SFO that store, process, transmit or interface with credit card data.

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

11.3.4 For items 11.3.1 to 11.3.3 above, Contractor shall provide a letter from their qualified security assessor (QSA) affirming their compliance and current PCI or PTS compliance certificate.

11.3.5 Contractor shall be responsible for furnishing City with an updated PCI compliance certificate 30 calendar days prior to its expiration.

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

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 §6250 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 as noted in Section 11.1, "Notices to Parties," regarding change in personnel or place, and except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with Department to submit to the Director of CMD any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (CMD Contract Modification Form).

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. If the Parties are unable to resolve the dispute, then, under San Francisco Administrative Code Section 21.35, Contractor may submit to the Contracting Officer a written request for administrative review and documentation of the Contractor's claim(s). Upon such request, the Contracting Officer shall promptly issue an administrative decision in writing, stating the reasons for the action taken and informing the Contractor of its right to judicial review. If agreed by both Parties in writing, the Parties may resolve disputes by a mutually agreed-upon alternative dispute resolution process. If the parties do not mutually agree to an alternative dispute resolution process or such efforts do not resolve the dispute, then either Party may pursue any remedy available under California law. The status of any dispute or controversy notwithstanding, Contractor shall proceed diligently with the performance of its obligations consistent with the Agreement and the written directions of the 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 the City until a written claim has first been presented to and rejected by the 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 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 the City's Charter, codes, ordinances and duly adopted rules and regulations of the 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 (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) 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 **Airport Intellectual Property.** Pursuant to 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. All proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport (including subcontractors and subtenants) may not use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Airport Director's prior consent.

11.14 **Labor Peace / Card Check Rule.** Without limiting the generality of other provisions in this Agreement requiring Contractor to comply with all Airport Rules, Contractor shall comply with the Airport's Labor Peace / Card Check Rule, adopted on February 1, 2000, pursuant to Airport Commission Resolution No. 00-0049 (the "Labor Peace / Card Check Rule"). Capitalized terms not defined in this provision are defined in the Labor Peace/Card Check Rule. To comply with the Labor Peace/Card Check Rule, Contractor shall, among other actions: (a) Enter into a Labor Peace/Card Check Rule Agreement with any Labor Organization which requests such an agreement and which has registered with the Airport Director or his / her designee, within thirty (30) days after Labor Peace/Card Check Rule Agreement has been requested; (b) Not less than thirty (30) days prior to the modification of this Agreement, Contractor shall provide notice by mail to any Labor Organization or federation of labor organizations which have registered with the Airport Director or his / her designee (registered labor organization"), that Contractor is seeking to modify or extend this Agreement; (c) Upon issuing any request for proposals, invitations to bid, or similar notice, or in any event not less than thirty (30) days prior to entering into any Subcontract,

Contractor shall provide notice to all registered Labor Organizations that Contractor is seeking to enter into such Subcontract; and (d) Contractor shall include in any subcontract with a Subcontractor performing services pursuant to any covered Contract, a provision requiring the Subcontractor performing services pursuant to any covered Contract, a provision requiring the Subcontractor to comply with the requirements of the Labor Peace/Card Check Rule. If Airport Director determines that Contractor violated the Labor Peace/Card Check Rule, Airport Director shall have the option to terminate this Agreement, in addition to exercising all other remedies available to him / her.

11.15 Federal Non-Discrimination Provisions. Contractor for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that Contractor shall maintain and operate the Airport facilities and services in compliance with all requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, as said regulations may be amended. Contractor, for itself, its personal representatives, successors in interest, and assigns, agrees that Contractor in its operation at and use of San Francisco International Airport, covenants that (1) no person on the grounds of race, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over, or under the Airport and the furnishing of services thereon, no person on the grounds of race, color, national origin or sex shall be excluded from participation or denied the benefits of, or otherwise be subject to discrimination, (3) that Contractor shall use all City premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A – Office of the Secretary of Transportation, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. These Regulations are incorporated as though fully set forth in this Agreement. Contractor agrees to include the above statements in any subsequent contract that it enters into with subcontractors and cause those agreements to similarly include the statements, and cause those businesses to include the statements in further agreements. Failure by the contractor to comply with the requirements of this section is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Airport deems appropriate.

11.16 Quality Standards Program. This Agreement is subject to the Airport's Quality Standards Program. The Airport's Employment and Quality Standards (EQS) office oversees the Airport's Quality Standards Program (QSP) which is applicable to Service Providers at the Airport whose employees are involved in performing services that have an impact on Airport security and safety. More information may be found at: <http://www.flysfo.com/about-sfo/the-organization/rules-and-regulations>. EQS may be contacted at (650) 821-1003.

11.17 Worker Retention Policy. Contractor is bound by the requirements of the Airport's Worker Retention Policy, as amended by the Airport Commission on July 17, 2012, which, among other things, requires, subject to certain limitations, Contractor to retain certain employees of a predecessor contractor for a 90-day trial employment period. During such trial period, Contractor shall evaluate each employee retained pursuant to the policy. If the employee's performance during such period is satisfactory, Contractor shall offer the employee continued employment. If the employee's performance is determined to be unsatisfactory, such employee may be released from employment and shall be referred to the Airport Employment Center.

11.18 Order of Precedence. Contractor agrees to perform the services described below consistent with the terms and conditions of this Agreement, implementing task orders, the RFP, and Contractor's proposal dated April 26, 2016. The RFP and Contractor's proposal are incorporated by

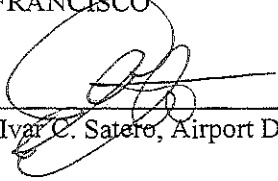
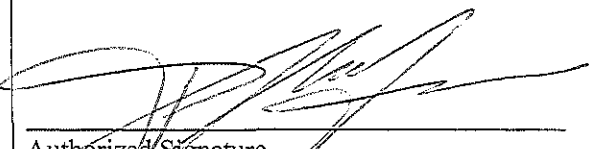
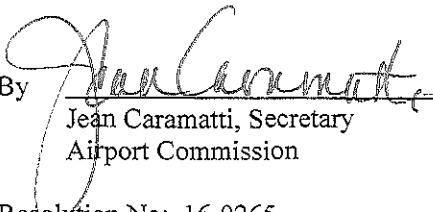
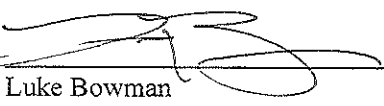
reference into this Agreement. Should there be a conflict of terms or conditions, this Agreement and any implementing task orders shall control over the RFP and the Contractor's proposal.

Article 12 MacBride And Signature

12.1 **MacBride Principles -Northern Ireland.** The provisions of San Francisco Administrative Code §12F are incorporated by this reference and made part of this Agreement. By signing this Agreement, Contractor confirms that Contractor has read and understood that the 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.

Handwritten signature or initials in the bottom right corner of the page.

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

CITY AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	CONTRACTOR
By:  Ivar C. Satero, Airport Director	 Authorized Signature
Attest:	Printed Name Philipp Huber
By:  Jean Caramatti, Secretary Airport Commission	Title President
Resolution No: 16-0265	Company Name Hollmark Aviation Services, L.P.
Adopted on: October 18, 2016	74707 City Vendor Number
Approved as to Form:	5757 W Century Blvd, Suite 860 Address
Dennis J. Herrera City Attorney	Los Angeles, CA 90045 City, State, ZIP
By:  Luke Bowman Deputy City Attorney	310 215 7213 Telephone Number
	95-421-7627 Federal Employer ID Number

Appendices

- A: Scope of Services
- B: Calculation of Charges
- C: Duty Locations
- D: Foreign Language Requirements
- E: Staff Uniform Information
- F: Customs Declaration Form Stock Quantities
- G-1: Form of Performance Bond
- G-2: Form of Letter of Credit



**Appendix A
Scope of Services**

1. Description of Services

Contractor agrees to perform the following Services:

The Airport Information and Guest Assistance Services contract is comprised of three distinct services: A) Airport's Information Desks (including one departure-level desk adjacent to the SFO Bay Area Rapid Transit (BART) station entrance and late-night coverage of four departure level desks), B) Guest Assistance in the Federal Inspection Services (FIS) Area consisting primarily of queue management and assistance with Automated Passport Control (APC) kiosks, and C) Airport's Lost and Found program. The following are work tasks assumed necessary to operate the Airport Information and Guest Assistance Services contract.

A. Airport Information Desk Program

1. Background

The purpose of the Airport Information Desk Program is to provide the public with information regarding airport services and amenities, transportation options, trip planning services, way finding assistance, and Bay Area visitor attractions and events. Transportation services include public transit, Airporter scheduled buses, on-demand and pre-arranged shared-ride vans, charter services, taxis, and limousines, Transportation Network Companies (TNCs), as well as parking and hotel courtesy shuttles. Information provided on ground transportation services includes pick-up/drop-off zones at the Airport, schedules, fares, and service areas.

Along with disseminating information on Airport services and facilities and Bay Area events and attractions, Information Desk agents will be required to assist Airport passengers with trip planning options. Airport staff currently updates handouts on ground transportation. These handouts are currently distributed at Information Desks. Agents are responsible for restocking desks with necessary brochures, transit schedules, handouts, and operating supplies on a daily basis.

Select public transit passes, San Francisco Metropolitan Transportation Authority (SFMTA or MUNI) Passports and maps and BART discount tickets are sold at the Information Desks to Airport employees and passengers. Cash, credit cards, debit cards including commuter debit cards, and Commuter Checks are accepted as payment. Information Desk agents are therefore required to provide, operate, and train staff on the Contractor's point of sales (POS) system, handle money and account for sales and receipts accordingly. The Contractor will be required to establish accounts with Clipper, SFMTA, San Mateo County Transit District (SamTrans), and BART and order necessary tickets, tokens, passes, and maps before the start of the contract so that transit pass sales at the desks will not be interrupted.

The hours of operation for Information Desks are based on flight activity in each of the boarding areas and require at a minimum one staff member per desk for all hours of operation. Staffing above the minimum should be based on what is necessary to provide attentive service given the level of activity.

As of Jan 1, 2017, the Information Desk hours shall be:

Terminal 1 Arrivals Area 'B'	Daily- 08:00 am – 12:00 am (16 hours)
Terminal 1 Arrivals Area 'C'	Daily- 08:00 am – 12:00 am (16 hours)
Terminal 2 Arrivals Area 'D'	Daily- 08:00 am – 12:00 am (16 hours)

Terminal 3 Arrivals Area 'E'	Daily- 08:00 am – 12:00 am (16 hours)
Terminal 3 Arrivals Area 'F' (not yet operational)	Daily- 08:00 am – 12:00 am
International Terminal Arrivals Area 'A'	Daily- 08:00 am – 10:00 pm (14 hours)
International Terminal Arrivals Area 'G'	Daily: 07:00 am – 8:00 pm (13 hours)
International Terminal Departures Level BART Desk	Daily- 08:00 am – 12:00 am (16 hours)

Information agents will provide additional staffing at four (4) International Terminal departure level desks per the following schedule, without providing any POS activities:

International Terminal Departure Area 'G' (Desk 'G1')	Daily: 8:30 pm – 12:30 am (4 hours)
International Terminal Departure Area 'G' (Desk 'G2')	Daily: 8:30 pm – 12:30 am (4 hours)
International Terminal Departure Area 'A' (Desk 'A1')	Daily: 8:30 pm – 12:30 am (4 hours)
International Terminal Departure Area 'A' (Desk 'A2')	Daily: 8:30 pm – 12:30 am (4 hours)

Airport will provide office space of approximately 150 square feet to be used for the administration of the programs. Airport will also provide an additional storage room on the departures level for storage of desk supplies and uniforms.

The following are work tasks assumed necessary to manage and staff the Information Desk program.

2. *Services to be Performed:*

- a) Provide trained office staff and Information Desk agents who are articulate, courteous, accurate, and impartial.
- b) Prepare, maintain, and update written reference manuals, as necessary, on ground transportation, Airport facilities and services, Bay Area hotels, religious institutions, consulates, embassies, civic and social organizations.
- c) Provide visitors with information regarding Bay Area public exhibits, events, amusements, sightseeing attractions, and SFO information, as well as other business, social and civic referrals.
- d) Train and update Information Desk agents on changing conditions and services, as necessary.
- e) Train office staff and Information Desk agents to answer questions regarding ground transportation and Airport facilities and services; operate a point of sales system; disseminate accurate brochures; and support the Airport's BART Employee Discount Program as needed.
- f) Order and sell public transit passes, tickets, and tokens that are provided by the SFMTA, SamTrans and BART. The Contractor will be required to contract with SFMTA, SamTrans, BART, and Clipper, and have obtained an appropriate supply of tickets, trained their staff, and set up cash boxes, transaction record sheets, receipts, accounting procedures, credit/debit card merchant accounts, Clipper terminals, etc. in order to sell the fare instruments at the Information Desks and reconcile transit sales accounts in order to start transit pass sales at the Information Desks on January 1, 2017.

- g) Accept lost and found items from staff and public, input into online database, and advise Lost and Found (see section 3) of their presence.
- h) Administer the BART Voucher Program in collaboration with BART. The program involves the exchange of special BART tickets for vouchers pre-purchased on the internet by passengers.
- i) Stock information brochures and desk supplies at all airport Information Desks, including volunteer staffed desks, in intervals necessary to keep well provisioned or as designated by the Airport.
- j) Provide multi-lingual employees to assist non-English speaking customers and use Language Line services for those in need.
- k) Train office staff and Information Desk agents to answer questions regarding airline arrivals/departures using the Airport's Flight Information Display System (FIDS).
- l) Establish quality control procedures for the dissemination of courteous, impartial, accurate information.
- m) Respond to complaints from the public and/or Airport staff in a timely manner.
- n) Order and display public information, including sightseeing brochures, posters announcing museum exhibits or special events, as requested and approved by the Airport.
- o) Copy and distribute current regional transportation handouts, as updated by the Airport.
- p) Maintain desks in clean, attractive, and orderly manner.
- q) Maintain inventory, order, and distribute Airport-approved uniforms, fit personnel for correct sizes, keep uniform pieces in good repair and replaced within the Airport's replacement timeline requirements. Coordinate uniform inventory needs with the Airport's Guest Services Department.
- r) Obtain and maintain current Federally-mandated identification badges for all Airport-based personnel and establish standards for on-the-job appearance and behavior.
- s) Maintain records for Airport review regarding the number of persons served, and other information as requested on an hourly basis, by desk. Provide a weekly report electronically to the project manager and any additional reports as requested.
- t) Provide well-qualified managers and supervisors who oversee Information Desk agents during all operating hours.
- u) Hire the equivalent of a maximum three (3) full time equivalent (FTE) of Volunteer Coordinator staff to oversee and implement the Travelers Information Volunteer Program.
- v) Coordinate with Travelers Information Volunteer Program personnel in providing services and facility updates to staff.

- w) Provide periodic information, guest service, and assistance to other Airport Divisions and programs as requested by Airport staff.
- x) Provide information to guests and Airport employees in an emergency as instructed and trained by Airport staff.
- y) Submit reports as required by the Airport Director and the Airport Commission.
- z) Other related ancillary guest service functions on an as-need basis as required by the Airport Director or his designee.

B. Guest Assistance in the Federal Inspection Services (FIS) Area

1. Background

The following are work tasks assumed necessary to provide guest assistance in the FIS area. Staff members will be referred to as "SFO Arrival Ambassadors" (Ambassadors).

The Contractor will perform tasks that ensure the efficient movement of guests through the FIS and provide passenger assistance in the use of the APC kiosk system. These tasks consist primarily of assisting arriving passengers with directional way finding, queue management, APC kiosk operations, document verification assistance, and language interpretation throughout the international arrivals process during FIS operational hours. Support tasks will also include dispensing the various customs declaration forms and supplies required in the arrival process, participating in regular and unscheduled briefings, stanchion and line management, basic APC kiosk maintenance, and working with Customs and Border Protection (CBP), the Airport and other staff on process improvements.

All staff assigned to the area must possess and maintain a valid Airport badge with a red CBP Customs Seal while working in the FIS. Due to the nature of the customs facility, staff are required to display these badges at all times, and offer them for visual inspection by CBP staff when entering and exiting the FIS.

2. Services to be Performed:

- a) Provide trained staff who are articulate, courteous, and welcoming during FIS operational hours. Typically, the FIS operational hours are 6:00 am – 1:30 am on Boarding Area 'G' and 7:30 am – 10:30 pm on Boarding Area 'A'; however, these times could vary, with or without advance notice, due to airline schedule changes or delays.
- b) Provide a staffing plan based on airline flights schedules. Additional staff will be required at peak times, but as a minimum per boarding area during FIS operational hours, the Ambassadors shall be staffed at the following locations:
 - One Ambassador inside the sterile corridor of each boarding area to welcome and provide way finding assistance.
 - Two Ambassadors to direct passengers at the entrance of the passport processing area to provide way finding assistance.
 - One Ambassador to manage the stanchion layout and queuing lanes.
 - Two Ambassadors to assist with kiosk operations.
 - One Ambassador at the kiosk area exits to review the kiosk receipts and provide directional assistance.

- One Ambassador in the baggage carousel area to provide way finding assistance.
- c) Respond to requests for interpretive services.
- d) Staff will assist incoming guests with completing entry requirements on SFO's APC kiosks as follows:
- When requested by a passenger or in apparent need, the SFO Arrival Ambassador will provide assistance on the kiosks functions such as choosing the appropriate language, beginning the transaction, properly placing the passport or permanent resident card into the scanner, or positioning of the fingers for fingerprint scanning.
 - Assisting with kiosk photo functionality such as requests for passenger to remove hats, glasses, etc.; positioning the customer and/or camera to obtain a valid photo.
 - Reviewing the transaction receipt and providing directional assistance to the appropriate queue.
- e) The following additional services are to be provided:
- APC kiosk basic maintenance support including cleanliness of the exterior of the kiosk, reloading of paper stock, clearing printer jams, periodic cleaning of the fingerprint scanners and, when necessary, escalating issues to the Airport's Help-Desk for additional repairs.
 - Offer initial greeting and queue assistance in the arrivals hallway.
 - Offer secondary greeting and queue separation, including guidance to Global Entry, APC, Mobile Passport Control, Airline Crew, Visitor, U.S. Citizen/Permanent Resident, Diplomat, New Immigrant and other lines for passport processing.
 - Manage queuing process and stanchions for all lines.
 - Dispatch customers to available kiosks.
 - Offer personalized assistance at kiosks.
 - Staff the triage area and guide customers accordingly.
 - When appropriate, move customers between queuing areas to maximize efficiency and reduce line wait time.
 - Staff baggage areas and offer additional information and guidance to customers.
 - Other duties as assigned and required such as escorting VIP arrivals, medical emergencies, participating in emergency drills and exercises, etc.
- f) Staff will manage all queuing functions to encourage efficient flow and minimize wait times including ensuring customers are in the proper line for processing, opening and closing stanchion lanes, escorting priority passengers and generally ensuring that all arriving passengers are moving and queued correctly per CBP policies and processes.
- g) Staff will ensure that passengers' documents are in order to the extent possible.
- h) Staff will employ their language skills to assist customers in need, respond to their concerns, or respond to Custom's request for foreign language assistance in processing areas. (See Appendix D)
- i) Staff will provide basic kiosk maintenance support, including keeping machines clean and stocked to ensure continuous operations, and notifying Airport Help-Desk of any maintenance issues.

- j) Manage delivery of customs supplies and materials including APC kiosk supplies, writing instruments and Customs and Immigration forms. (see Appendix F)
- k) SFO Arrivals Ambassadors are prohibited from engaging in law enforcement actions and answering questions related to CBP's law enforcement policies.

C. Airport Lost and Found

1. Background

The following are work tasks assumed necessary to manage and operate the Airport's Lost and Found functions.

The Contractor will create a Lost and Found office and process items separately from the existing Lost and Found managed by the San Francisco Police Department. The Contractor will perform all tasks associated with the management and operation of the non-San Francisco Police Department facility with a goal of reuniting customers with lost possessions collected by or turned into the Contractor's staff at information desks. Additionally, the Contractor's staff will communicate with the Police facility to share inventory information and ensure customers are reunited with their belongings with quickly and efficiently, and with exceptional communication. In order to maximize customer control over the process, the Contractor will be required to provide, operate and train staff on their online Lost and Found software system. Information Desks will be used as lost item collection and logging areas, with items transferred to the main office at regular intervals by staff. Items can be picked up by customers, or shipped to them using an approved ground delivery service. The Contractor shall comply with all laws related to lost and found property.

2. Services to be Performed:

- a) Staff the Airport's Lost and Found office 24 hours daily, 365 day annually.
- b) The Airport's Information Desks will be designated as the initial collection point for items found in the public areas of the terminal. Information Desk staff are to record items and coordinate transfer to the Lost and Found office and provide the City with weekly activity reports.
- c) On a daily basis, check status of any Airport 'drop-box' location for items that were found by staff during overnight hours.
- d) At regular intervals, or upon request from Information Desks or customers, retrieve items from desks for handling at the facility.
- e) Create and implement an item logging procedure.
- f) Create and implement a process to dispose of items held beyond 30 days, or in the case of property of value, to be turned over to the police.
- g) Establish a process for a fee-based system to ship items to customers upon request.

- h) Communicate with the existing Police Department Lost and Found to look for lost items not in the other's inventory.

D. General Requirements

1. *Employees, Training, and Discipline*

All employees of both Contractor and its Subcontractor are subject to the following requirements:

- a) All successful candidates for on-site Airport jobs must pass a mandatory 10-year Federal Bureau of Investigation (FBI) background check, which includes fingerprinting, and must receive an identification badge issued by the Airport's Security Access Office before they can start work on Airport property.
- b) Each staff member is required to attend all relevant guest service training sessions provided by the Airport on an annual basis. There are currently 6 sessions of 60 minutes each offered approximately every 6 weeks. A schedule will be provided to the Contractor.
- c) Annual training must be provided to all Contractor employees and Subcontractor employees who interact with Airport patrons and customers.
- d) Airport-approved procedures to be used by the Contractor in the event of problems or emergencies.
- e) Introduction to the many services and facilities available to the Airport's patrons and customers.
- f) The requirements of the Americans with Disabilities Act (ADA) as it applies to customer service.
- g) Duties and responsibilities necessary to perform the job in a friendly, efficient, and customer-focused manner, including training regarding all necessary equipment.
- h) The Airport retains the right to require an employee of the Contractor or Subcontractor to undergo employee training again if they fail to possess and exercise the level of knowledge necessary to perform the job as described in the Airport-approved training guide. The Airport will not reimburse the Contractor if an employee is required to undergo the initial training classes a subsequent time in such a situation or as a result of disciplinary action.

2. *Information Desk staff* are subject to the following requirements:

- a) Seventy-five percent (75%) of employees shall possess fluency in at least one non-English language listed in Appendix D. At least one Spanish and one Chinese speaker must be on duty at all times.
- b) Contractor must provide all staff sufficient training to provide answers to numerous Airport and ground transportation questions. Bilingual employees are highly desired due

to the large number of non-English speaking patrons arriving at the Airport. However, all employees must be both fluent and easily understood in English.

- c) The training provided by the Contractor shall include, but not be limited to, the following:
- The various types of transit passes, tickets and tokens sold at the desks and procedures for handling money, credit and debit cards, Commuter Checks, commuter debit cards and Clipper and —no return policy.
 - The operating procedures of each of the Airport's ground transportation services, including fares, schedules, pick-up and drop-off locations, service areas, and ADA accommodations.
 - Familiarity with available transit data such as mapping, real-time traffic information from 511.org, and other public data.
 - SFO website and operation of computerized information kiosks.
 - Operation of the Point of Sale system located at the Information Desks.
 - Operation of TTY courtesy phones located at the Information Desks.

3. *SFO Arrival Ambassador staff* are subject to the following requirements:

- a) The training material provided by the kiosk manufacturer must be used in development of any training material.
- b) Airport Badging - Each kiosk staff person must have an Airport approved badge with a red Customs Seal.
- c) Staff must be fluent in the languages listed in Appendix D.

4. *Employee Uniforms*

- a) Contractor's employees must wear the Airport-approved uniform while on duty. Specific uniform requirements can be found in Appendix E. Uniform requirements include a federally mandated Airport ID, which must be displayed on all employees at all time.
- b) The Airport Director retains the right to require the Contractor to change or modify the uniform at any time, at the City's expense. The Contractor must make the required changes within thirty (30) days after notification by the Airport Director.
- c) The Airport retains the right to immediately remove a Contractor's employee from his/her post if the employee is not in uniform, does not have his/her required identification badge properly displayed, or is not presenting him/herself in a professional manner. In this event, the Contractor is required to provide a suitable replacement within two (2) hours. Contractor will not charge the Airport for the time the position is unstaffed.

5. *Performance Measures*

San Francisco International Airport strives to offer all guests exceptional service. Services are offered at moments where customers are in need of information, assistance, or special consideration. In order to appropriately represent SFO and provide exceptional service, specific service standards and evaluation criteria have been established and must be met.

The Airport Director or designee will perform a quarterly review of the Contractor's performance based on the criteria below and measured via unannounced spot checks and regular reporting requirements. A number-grading method will be used to determine if the Contractor is meeting expectations, and if not, what actions will be taken. The grading system is as follows: '5' (Outstanding), '4' (Very Good), '3' (Satisfactory), '2' (Poor), '1' (Unacceptable). An improvement plan must be submitted to the Airport for any measure that is rated '2' or below and is due 30 days after the rating is communicated to the Contractor. Additionally, the Contractor should strive to maintain an average score of at least '4' for the duration of the contract. An overall average score below '3' for more than two (2) quarters is grounds for terminating the contract.

- a) Staff all duty locations between designated service hours. Staffing locations 10 minutes or more after designated start time and closing 10 minutes or more before closing time fifteen (15) or more days each quarterly review period constitutes poor performance and will receive a score of 2 or lower.
- b) Provide weekly report of transit pass sales electronically. Contractor will advise what the earliest reporting date is, and shall report on that day every week. Failure to provide complete and accurate reports by the deadline each week is unacceptable and will receive a score of 1.
- c) Provide required reports within fifteen (15) working days after month end. Required reports include, but are not limited to, the following: (i) number of individuals served at each Information Desk by time of day, presented in one (1) hour increments, and (ii) transit pass sales summary. Failure to provide complete and accurate reports by the deadline is unacceptable and will receive a score of 1.
- d) Provide quarterly roster of staff by classification within 10 days after quarter end and calculate turnover rate. A turnover rate in excess of 25% without adequate explanation for the turnover constitutes poor performance and will receive a score of 2 or less.
- e) Improve customer service rating as measured by the Airport's annual Customer Satisfaction Survey by a minimum of 0.1 points each year. Maintaining status quo is acceptable and will receive a score of 3, exceeding the goal will receive a score of 4 or above, reduction in service rating by any amount constitutes poor performance and will receive a score of 2 or below.
- f) All complaints received must be investigated, reported, and responded to within one (1) week of receipt with a copy of the response provided to Guest Services. Failure to properly respond to and address any complaints is unacceptable and will receive a score of 1.
- g) For positions not covered under the First Source Hiring Program, Contractor will coordinate at least one job fair through the Airport's Employment and Community Partnerships office and hold that fair on-site. Performance in this area is either a score of

'1' or a score of '5'. This measure will be excluded if the Contractor is not in need of recruiting during a 12-month period.

- h) Quarterly staffing report, including current staffing, vacancies, accounting of all Airport badges. Report is due within fifteen (15) working days after quarter end.
- i) Provide a weekly report of Lost and Found activity. Contractor will advise what the earliest reporting date is, and shall report on that day every week. Failure to provide complete and accurate reports by the deadline is unacceptable and will receive a score of 1. The report shall include a review of items found, lost reports, reunification data, shipment info, phone calls received, and inventory data, including status of items held more than 30 days.
- j) Contractor will meet the foreign language requirements as stated in this RFP. Failure to do so on more than 5 (five) occasions per quarter will result in a rating of '2'.
- k) Contractor will strive to deliver exceptional, caring service to guests and treat all with courtesy and respect. Frequent complaints about staff behavior will not be tolerated. If no complaints are received during a quarter, the Contractor will score '5'. If one (1) complaint is received, the score will be '3'. Two (2) or more per quarter will be deemed as unacceptable.
- l) The Airport reserves the right to request any and all reports deemed necessary from the Contractor in the performance and auditing of this agreement at no additional cost to the Airport. These reports must be submitted within two (2) weeks from the date the request was made unless instructed otherwise in writing from the Airport.

E. Travelers Information Coordinators

The following are work tasks assumed necessary for the Travelers Information Coordinators.

- I. Services to be Provided.* The Airport's Travelers Information Program is in part supported by staff provided by the Contractor. Administrative and support tasks include:
 - a) Staff the Volunteer Coordinators Office from 0800-1700 daily and provide sufficient weekend coverage to address volunteer issues that arise off-hours.
 - b) Return missed phone calls within 24 hours.
 - c) Assist Guest Services in organizing one (1) recruiting effort per quarter, either hosted in-house or in the community.
 - d) Establish a waiting-list of potential volunteers through effective recruitment and screening of applicants.
 - e) Communicate with Airport tenants and staff to develop and communicate weekly updates to volunteers.
 - f) Assist Guest Service staff in maintaining the volunteer uniform program, including fitting, distribution, collection, and oversight of uniform policy.

- g) Assist volunteer staff in ensuring adequate desk coverage and development of schedules.
- h) Coordinate recruitment for in-airport special staffing needs.
- i) Submit relevant work orders on behalf of volunteers.
- j) Manage volunteer program personnel files, ensuring they are orderly and up-to-date at all times.
- k) Provide support and assistance to the volunteer staff by ensuring frequent visits and consultations with volunteers.
- l) Maintain two (2) Authorized Signatories.
- m) Perform a quarterly badge audit and account for and rectify any discrepancies.
- n) Maintain petty cash log for staff expenditures related to volunteer program.
- o) Monitor and maintain staff roster to ensure that only active volunteers are employed.
- p) Upgrade arrival desks in terms of information, binders and updated.
- q) Ensure that Lost and Found policies and practices are followed.
- r) One coordinator will provide quarterly training sessions for all volunteers. Training sessions will include 1) general information and updates, 2) iPad or tablet training class 3) Serve Well (100% of active volunteers scheduled for at least 4 Serve Well sessions per year).
- s) Assist Guest services in the planning, implementation, and operation of new technology or services at Information Desks.

2. *Required Reporting to Guest Services:*

- a) Monthly attendance record, to include hours donated by each volunteer.
- b) Monthly desk coverage report, to reflect the percentage of desks covered.
- c) Monthly turnover report, to reflect names of volunteers who both join and depart the program.
- d) Monthly activity report, to reflect the number of guests assisted at each volunteer desk.

All written Deliverables, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

2. Services Provided by Attorneys. The City Attorney must review in advance and approve in writing any request for services to be provided by a law firm or attorney. The City will not pay any

invoices for services provided by law firms or attorneys, including as subcontractors of Contractor, unless the provider receives advance written approval from the City Attorney.

3. Reports. Contractor shall submit written reports as requested by the Airport. Format for the content of such reports shall be determined by the Airport. The timely submission of all reports is a necessary and material term and condition of this Agreement. The reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

4. Department Liaison. In performing the services provided for in this Agreement, Contractor's liaison with the Airport will be the person identified in Agreement at Section 11.1, Notices to the Parties. Such individual shall be the Contractor's primary point of contact for all purposes under this Agreement.

**Appendix B
Calculation of Charges**

Compensation under this contract shall consist of two categories: Reimbursable Costs and Management Fee Amount.

1. Reimbursable Costs

Contractor acknowledges and agrees that as the employer, it alone shall be responsible for fulfilling its obligation to its employees under the law and under any collective bargaining agreement(s), if applicable.

The Airport shall reimburse only actual costs supported by documentation acceptable to the Airport. There shall be no mark-up on reimbursable costs.

a) Direct Labor Costs

Direct Labor Costs include hourly wage rates and cost of fringe benefits for guest-facing staff as indicated below:

Hourly Wage Rates

Contractor shall submit payroll records supported by timecards or other verifiable documentation to support any application for reimbursement of Direct Labor Costs. The City shall reimburse actual hourly wages not to exceed the amounts set forth below:

Guest Service Ambassador (Info Desk)	Not to Exceed \$18.63/hour
International Arrival Ambassador (Customs facility)	Not to Exceed \$14.69/hour
Lost and Found Agent	Not to Exceed \$14.69/hour
Guest Service Ambassador Supervisor	Not to Exceed \$20.50/hour
International Arrival Ambassador Lead	Not to Exceed \$19.29/hour
Volunteer Program/Training Coordinator	Not to Exceed \$39.75/hour

Fringe Benefits

The City shall reimburse the Contractor for the actual, documented cost of fringe benefits incurred by the contractor for front line staff at the rate established at the time of contract award for the first term of the Agreement. This shall be the 'baseline'. In the event the actual cost of fringe benefits in subsequent contract years exceeds the baseline, as prorated for a twelve-month period, the cost of the increase shall be borne equally by the Contractor and the City.

b). Indirect Labor Costs

The following Indirect Labor Costs are not reimbursable:

- Employee Recruitment
- Initial background investigations for employee security access badging
- Additional, subsequent background investigations
- Airport photo identification badges
- Replacement of lost or stolen Airport photo identification badges
- Replacement of lost or stolen employee name badges

PH

- Food and beverages
- Payroll Services
- Travel

No other Indirect Labor Costs are reimbursable in the absence of prior written approval by the Airport Director or designee.

The following conditions apply to other Indirect Costs:

Employees

- Uniform costs will be reimbursed provided that each guest-facing employee is provided with a uniform set that is reasonable for the number of hours or days worked per week. Costs for replacements due to normal wear will be reimbursed.
- Dry cleaning of uniform jackets, ties, and pants and initial hemming costs for pants only shall be a reimbursable expense for only line and immediate supervisory personnel. Such costs are to be reasonable.
- Personnel timekeeping equipment and equipment maintenance shall be reimbursable only if such costs are reasonable, necessary to the operation of the contracted scope, and approved by the Airport in advance.
- City shall reimburse Contractor a maximum of \$150 per employee for recognition awards with a cap of \$2,500 per quarter.

Telephone/Intranet

- Airport will provide four (4) telephones and phone lines with voicemail boxes for the Airport Information and Guest Services contract administrative office. Maintenance and replacement (if necessary) of the telephones and telephone lines is the responsibility of the Airport. The costs of local telephone calls are paid for by the Airport. The Airport currently pays for long distance telephone calls that are necessary for operating the Airport Information and Guest Services contract. A log of all long distance telephone calls must be maintained and include: name of person called, phone number called and reason for the call.
- Contractor shall contract with a cellular telephone service that provides excellent coverage at SFO and in the Bay Area and provide up to six (6) cellular phones for use in operating the Airport Information and Guest Services contract. Telephones should retain the same cellular telephone numbers currently in use for the Information Desk Program. Use and monthly fees for said phones authorized by the Airport will be reimbursable expenses. Costs for obtaining cellular phones, maintaining and replacing said phones will be reimbursable provided that said expenses are reasonable, and prior authorization is obtained from the Airport. Costs for replacing phones and equipment that are lost or damaged through employee negligence will not be reimbursed.
- Wireless text messaging services are not reimbursable expenses, unless unlimited text messaging is provided at no additional charge as part of an Airport-approved cell phone contract. Wireless Internet service is not reimbursable.

- Airport will provide broadband Internet access and email accounts on the SFO email system in the Airport Information and Guest Services contract administrative office. Costs for other Internet providers or email accounts are not reimbursable expenses, unless specifically involved in trip planning, ground transportation applications, and/or ticket sales operations.
- Airport will provide up to six (6) telephones and telephone lines in each information desk. Maintenance and replacement (if necessary) of the telephones and telephone lines is the responsibility of the Airport. The costs of local telephone calls are paid for by the Airport. The Airport currently pays for long distance telephone calls that are necessary for operating the Airport Information and Guest Services contract. A log of all long distance telephone calls must be maintained and include: name of person called, phone number called and reason for the call.

Postal Services

- Postage for routine certified, first-class, and priority mail letters emanating from the operation of the Airport Information and Guest Services contract shall be a reimbursable expense. Postage charges for routine certified, first-class, and priority mail letters emanating from offices outside the Airport shall not be a reimbursable expense.
- Express next-day or two-day shipments (e.g., Airborne Express, DHL, Federal Express, UPS, etc.) shall not be a reimbursable expense unless it is part of an Airport-authorized purchase of equipment or other materials and supplies.
- Letterhead and business cards shall not be a reimbursable expense.

Office Equipment

- The Airport will provide and service computers and related peripheral equipment (e.g., printer, monitors) used for administrative office functions.
- The Airport will provide and maintain basic software for use in the computers (e.g., word processing, spreadsheet, database, operating system, anti-virus, and internet browser).
- Computer software programs shall not be a reimbursable expense unless approved in advance by the Airport.
- Computer consumables (e.g., laser cartridges, inkjet cartridges, toner, floppy diskettes, paper) shall be reimbursable upon advanced approval by the Airport only if said costs are reasonable and purchases were essential.
- Airport will provide necessary office furniture (e.g., desk surface, file cabinets, chairs, table(s)) for the office space.
- Airport will provide a safe for securing cash received in transit pass ticket sales.
- Other office equipment, materials, and supplies shall be reimbursable only if such costs are reasonable and have been approved in advance by the Airport

Equipment and Operations

- The Airport will provide a Telecommunications Device for the Deaf (TDD), also known as a Teletypewriter (TTY), in each staffed information desk. Maintenance and replacement (if necessary) of the TDD/TTY is the responsibility of the Airport.
- The Airport will supply chairs for the staffed Information Desks a. If the chairs need maintenance or replacement, these costs will be reimbursable if they are reasonable and have been approved by the Airport in advance.
- On a monthly basis, Contractor will pay Traveler's Aid \$100 for use as petty cash to help stranded passengers. This on-going cost will be reimbursable.
- Supplies for the Information Desks (e.g., cleaning supplies, first aid kits, facial tissue, cash boxes, etc.) will be reimbursable only if such costs are reasonable and have been approved in advance by the Airport.
- Equipment and software licensing fees for the operation of the Lost and Found Office will be reimbursable up to \$12,000 per year.
- Maintenance and support costs for Point of Sale systems are a reimbursable cost if they are reasonable and have been approved by the Airport in advance.

Handwritten signature or initials in the bottom right corner of the page.

January 1, 2017 through June 30, 2017 Cost Proposal - Airport Information and Guest Assistance Services

The following table reflects the maximum allowable costs for the contract period.

Direct Labor Costs	Budgeted		Hourly	Total Cost
	FTE	Hours	Rate	
<i>Hallmark</i>				
International Arrival Ambassador	32.3	67,124	\$14.69	\$ 986,051.56
Lost & Found Agent	4.2	8,760	\$14.69	\$ 128,684.40
Lost & Found Lead	0.7	1,460	\$18.70	\$ 27,302.00
International Arrival Ambassador Lead	2.1	4,380	\$18.70	\$ 81,906.00
Totals - Hallmark	39.3	81,724		\$ 1,223,943.96
<i>Polaris</i>				
Guest Service Ambassador	14.2	29,630	\$18.00	\$ 533,340.00
Guest Service Ambassador Supervisor	4.2	8,760	\$19.29	\$ 168,980.40
Volunteer Program Coordinator	0.5	1,040	\$36.38	\$ 37,835.20
Volunteer Program Coordinator - PT	0.8	1,560	\$36.38	\$ 56,752.80
Totals - Polaris	19.7	40,990		\$ 796,908.40

TOTAL DIRECT LABOR \$ 2,020,852.36

Indirect Labor Costs		Fringe	
		Percent	
<i>Hallmark</i>	Health, Dental, Life Insurance	0.1644	\$ 201,216.39
	Worker's Compensation	0.0354	\$ 43,327.62
	FICA, FUTA SUI	0.11	\$ 134,633.84
	Personal Leave	0.0462	\$ 56,546.21
	Holiday premium	0.0192	\$ 23,499.72
	401K Matching	0.032	\$ 39,166.21
	Staff Welfare & Morale	0.0095	\$ 11,627.47
	Totals - Hallmark		\$ 510,017.45

		Fringe	
		Percent	
<i>Polaris</i>	Health, Dental, Life Insurance	0.1425	\$ 113,559.45
	Worker's Compensation	0.02	\$ 15,938.17
	FICA, FUTA SUI	0.1013	\$ 80,726.82
	Personal Leave	0.147	\$ 117,145.53
	Holiday premium	0.0192	\$ 15,300.64
	401K Matching	0.0335	\$ 26,696.43
	Staff Welfare & Morale	0.008	\$ 6,375.27
	401K Profit Sharing	0.04	\$ 31,876.34
Totals - Polaris		\$ 407,618.65	

TOTAL INDIRECT LABOR \$ 917,636.09

Management Fee

January 1, 2017 through June 30, 2017

Management Fee	\$ 742,824.00
----------------	---------------

TOTAL MANAGEMENT FEE	\$ 742,824.00
-----------------------------	----------------------

Other Direct Costs

Overtime	\$ 40,000.00
Employee Recognition & Reward	\$ 5,000.00
Lost & Found Supplies	\$ 3,000.00
Communications Devices and Fees	\$ 3,750.00
Office and Desk Supplies	\$ 7,500.00
One Time Initial Furniture Expense	\$ 5,000.00
Storage Safe	\$ 500.00
Staff Uniforms	\$ 76,207.55
POS System Purchase and card Swipe	\$ 2,500.00
Printing	\$ 4,425.00
POS System Maintenance Support	\$ 750.00
POS Webportal Support	\$ 2,055.00
Technical Support Consultant	\$ 1,500.00
ADM Guest Support Supplies	\$ 2,500.00
Dry Cleaning	\$ 2,500.00
Fringe Reimbursement	\$ 2,500.00
Shipping	\$ 3,000.00
Lost & Found Software	\$ 6,000.00

TOTAL OTHER DIRECT COSTS	\$ 168,687.55
---------------------------------	----------------------

Total January 1, 2017 through June 30, 2017 Cost Proposal	\$ 3,850,000.00
--	------------------------

Fiscal Year 2017/2018 Cost Proposal - Airport Information and Guest Assistance Services

The following table reflects the maximum allowable costs for the contract period.

Direct Labor Costs	FTE	Budgeted	Hourly Rate	Total Cost
<i>Hallmark</i>				
International Arrival Ambassador	64.5	134,248	\$14.98	\$ 2,011,035.04
Lost & Found Agent	8.4	17,520	\$14.98	\$ 262,449.60
Lost & Found Lead	1.4	2,920	\$19.07	\$ 55,684.40
International Arrival Ambassador Lead	4.2	8,760	\$19.07	\$ 167,053.20
Totals - Hallmark	78.6	163,448		\$ 2,496,222.24

<i>Polaris</i>				
Guest Service Ambassador	28.5	59,260	\$18.36	\$ 1,088,013.60
Guest Service Ambassador Supervisor	8.4	17,520	\$19.68	\$ 344,793.60
Volunteer Program Coordinator	1.0	2,080	\$37.11	\$ 77,188.80
Volunteer Program Coordinator - PT	1.5	3,120	\$37.11	\$ 115,783.20
Totals - Polaris	39.4	81,980		\$ 1,625,779.20

TOTAL DIRECT LABOR \$ 4,122,001.44

Indirect Labor Costs	Fringe Percent	
<i>Hallmark</i>		
Health, Dental, Life Insurance	0.1771	\$ 442,080.96
Worker's Compensation	0.0354	\$ 88,366.27
FICA, FUTA SUI	0.11	\$ 274,584.45
Personal Leave	0.0462	\$ 115,325.47
Holiday premium	0.0192	\$ 47,927.47
401K Matching	0.032	\$ 79,879.11
Staff Welfare & Morale	0.0095	\$ 23,714.11
Totals - Hallmark		\$ 1,071,877.83

	Fringe Percent	
<i>Polaris</i>		
Health, Dental, Life Insurance	0.1425	\$ 231,673.54
Worker's Compensation	0.02	\$ 32,515.58
FICA, FUTA SUI	0.1013	\$ 164,691.43
Personal Leave	0.147	\$ 238,989.54
Holiday premium	0.0192	\$ 31,214.96
401K Matching	0.0335	\$ 54,463.60
Staff Welfare & Morale	0.008	\$ 13,006.23
401K Profit Sharing	0.04	\$ 65,031.17
Totals - Polaris		\$ 831,586.06

TOTAL INDIRECT LABOR \$ 1,903,463.89

Management Fee

Fiscal Year 2017/2018

Management Fee	\$ 1,485,648.00
----------------	-----------------

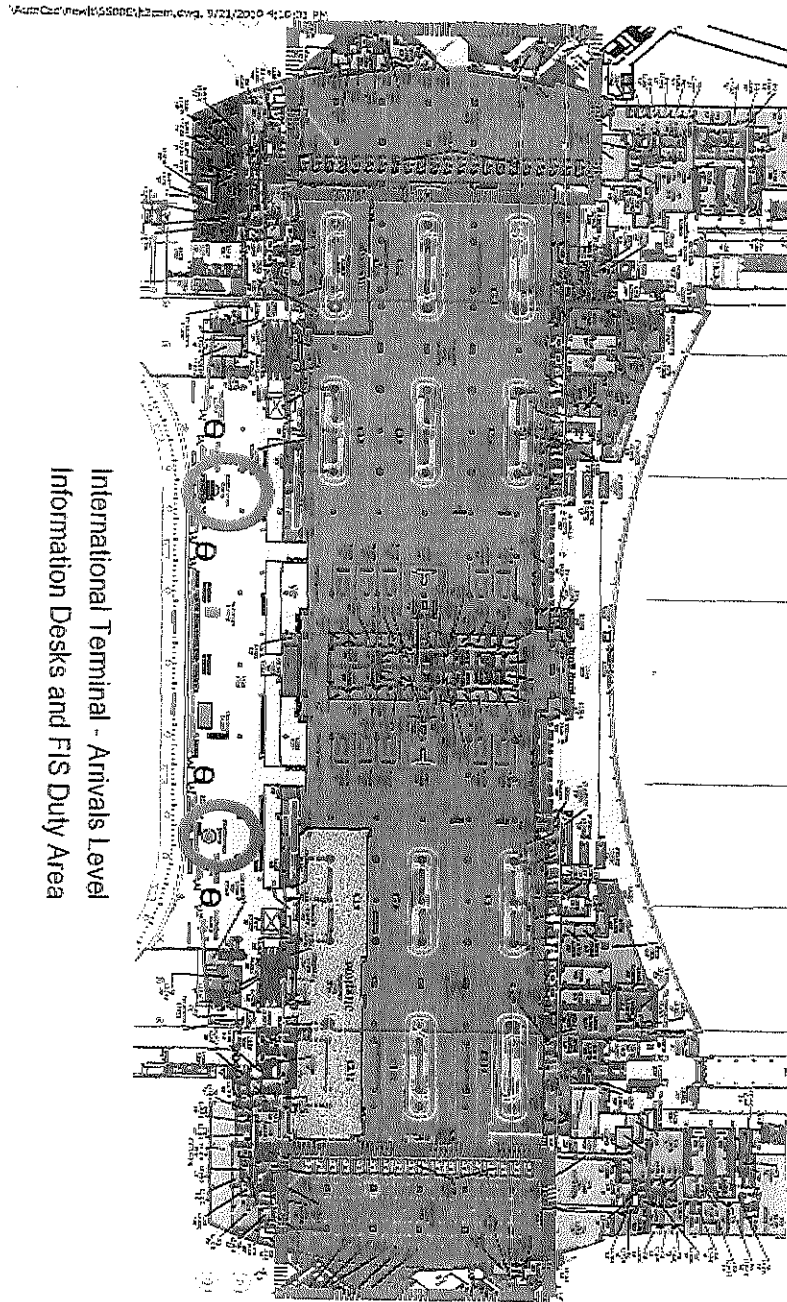
TOTAL MANAGEMENT FEE \$ 1,485,648.00**Other Direct Costs**

Overtime	\$ 50,000.00
Employee Recognition & Reward	\$ 10,000.00
Lost & Found Supplies	\$ 6,000.00
Communications Devices and Fees	\$ 7,500.00
Office and Desk Supplies	\$ 15,000.00
Staff Uniforms	\$ 53,776.67
Printing	\$ 5,000.00
POS System Maintenance Support	\$ 1,500.00
POS Webportal Support	\$ 4,110.00
Technical Support Consultant	\$ 3,000.00
ADM Guest Support Supplies	\$ 5,000.00
Dry Cleaning	\$ 5,000.00
Fringe Reimbursement	\$ 5,000.00
Shipping	\$ 6,000.00
Lost & Found Software	\$ 12,000.00

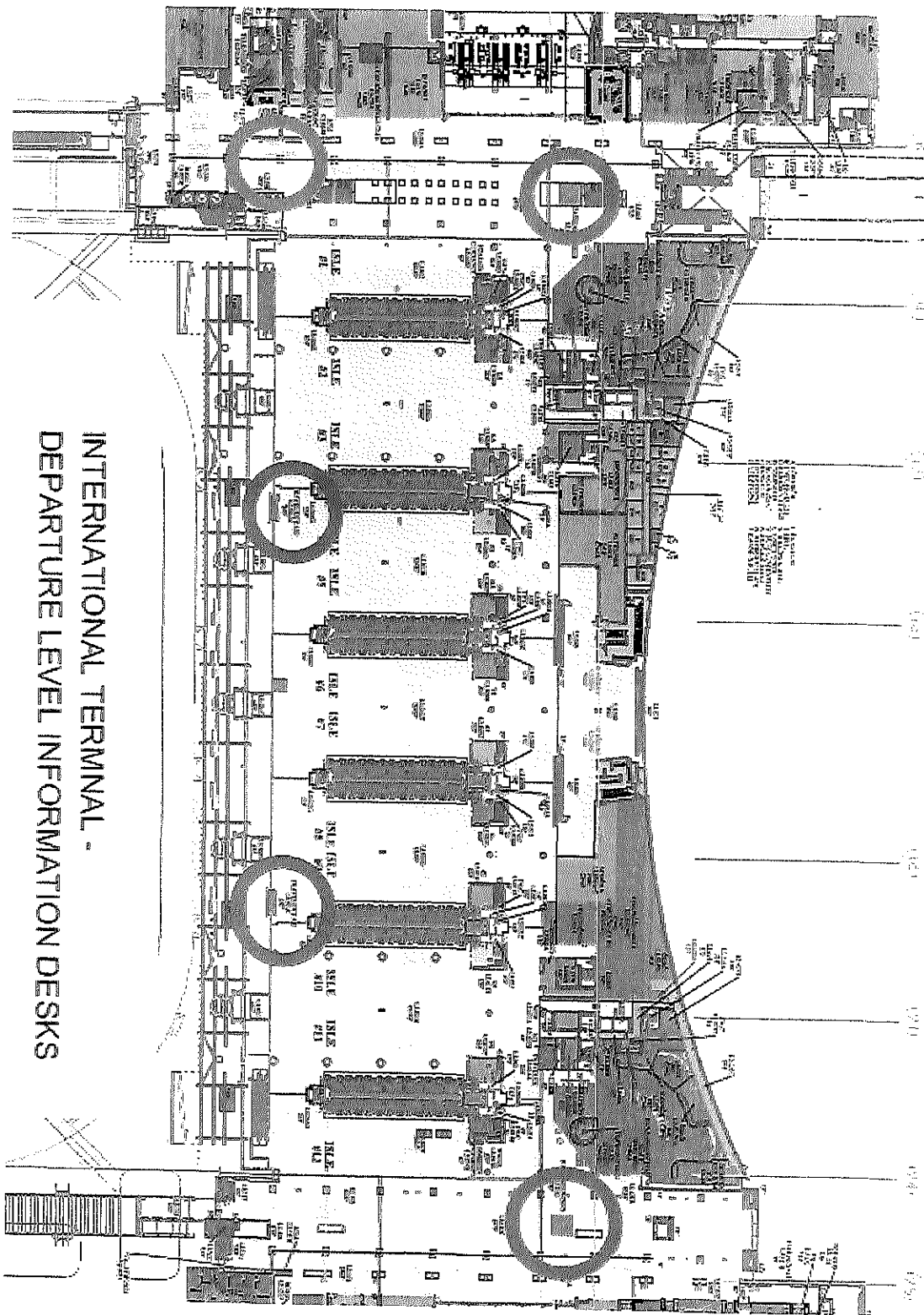
TOTAL OTHER DIRECT COSTS \$ 188,886.67**TOTAL FY 2017/2018 COST PROPOSAL \$ 7,700,000.00**

Appendix C Duty Locations

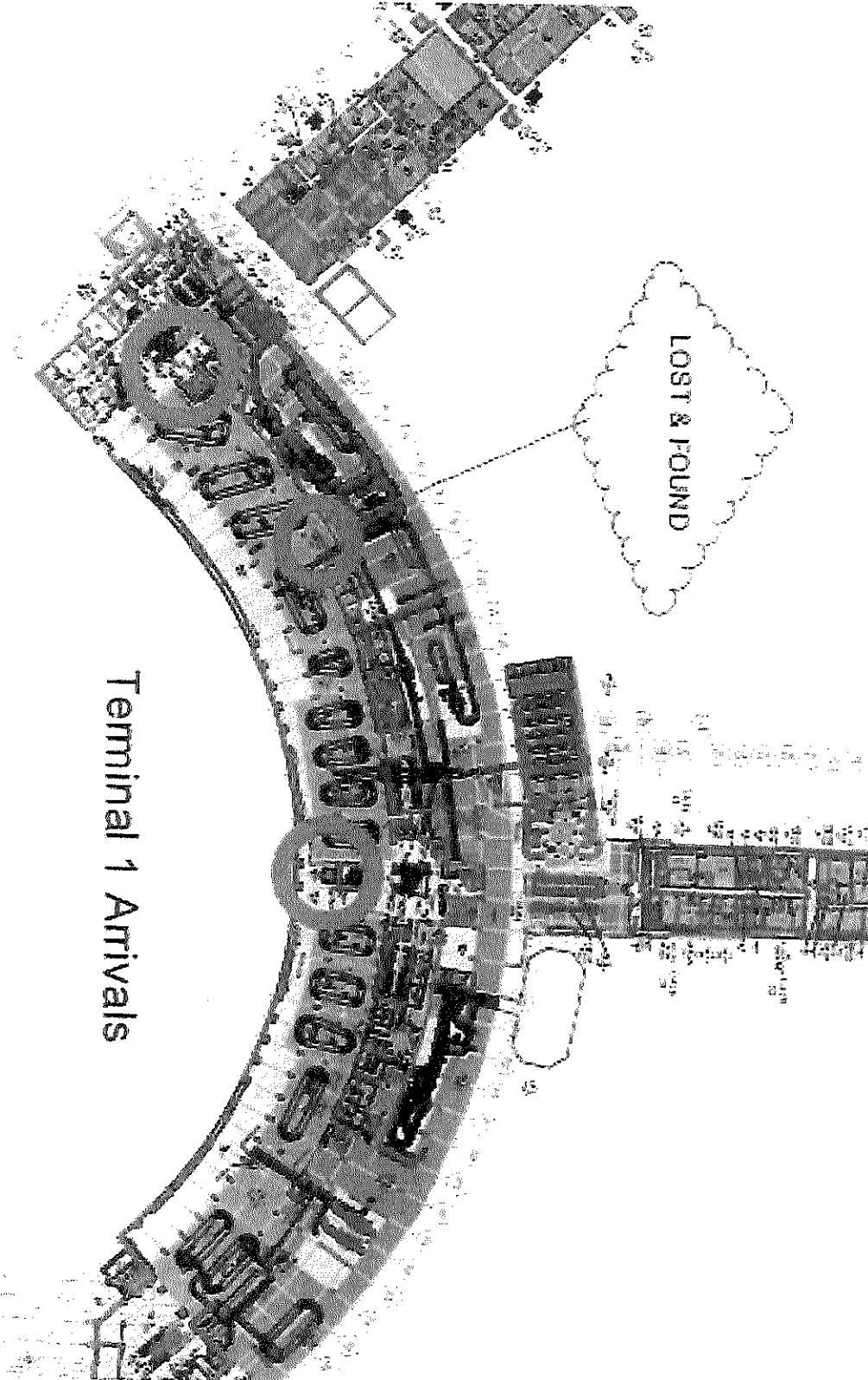
Red circled areas are Information Desks & other office locations.
Red boxed areas are duty locations for International Arrivals.
Green circled areas are Information Desks to be staffed 2030-0030 daily.
Blue circled areas are Travelers Information desks



PA

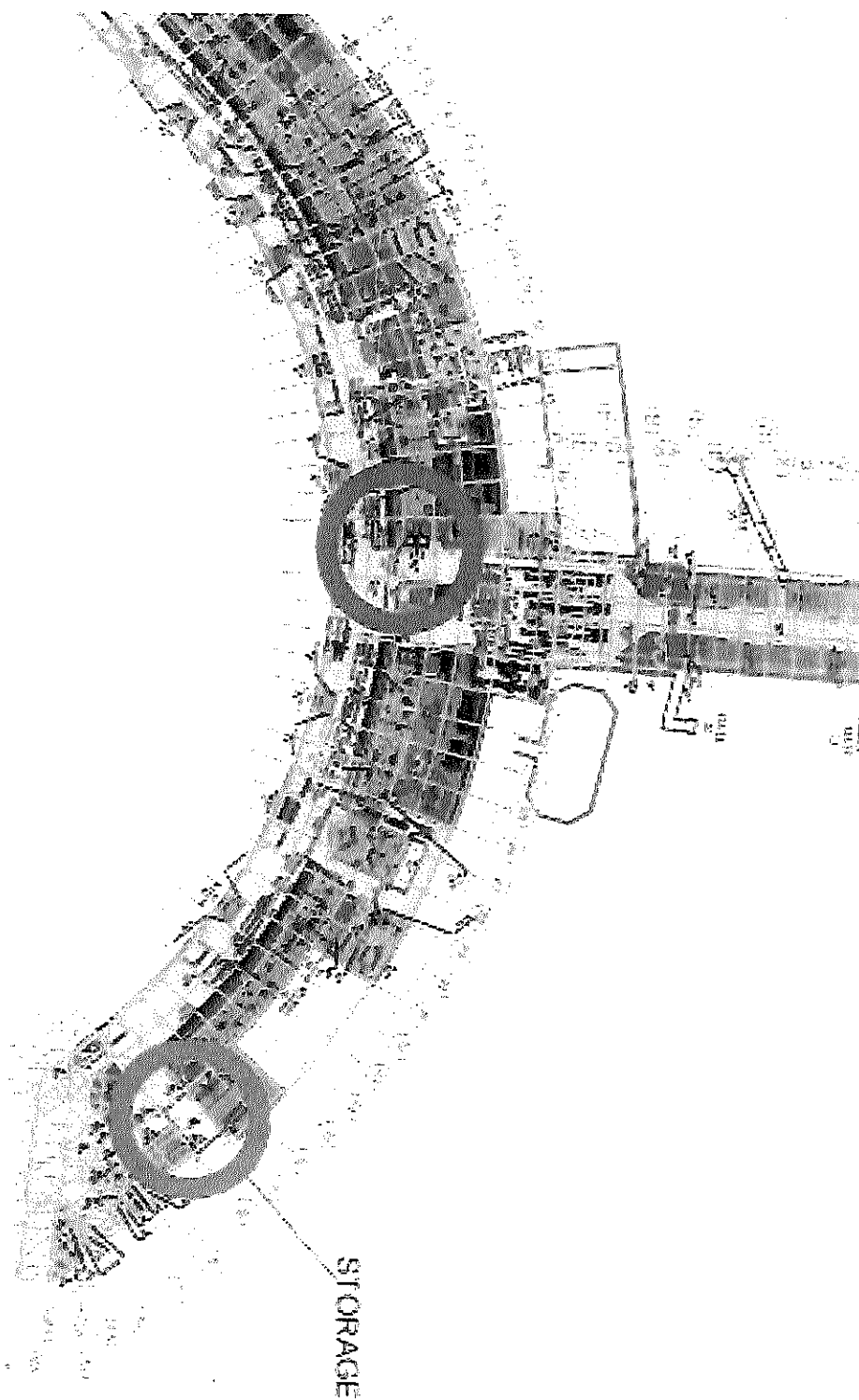


INTERNATIONAL TERMINAL
 DEPARTURE LEVEL INFORMATION DESKS

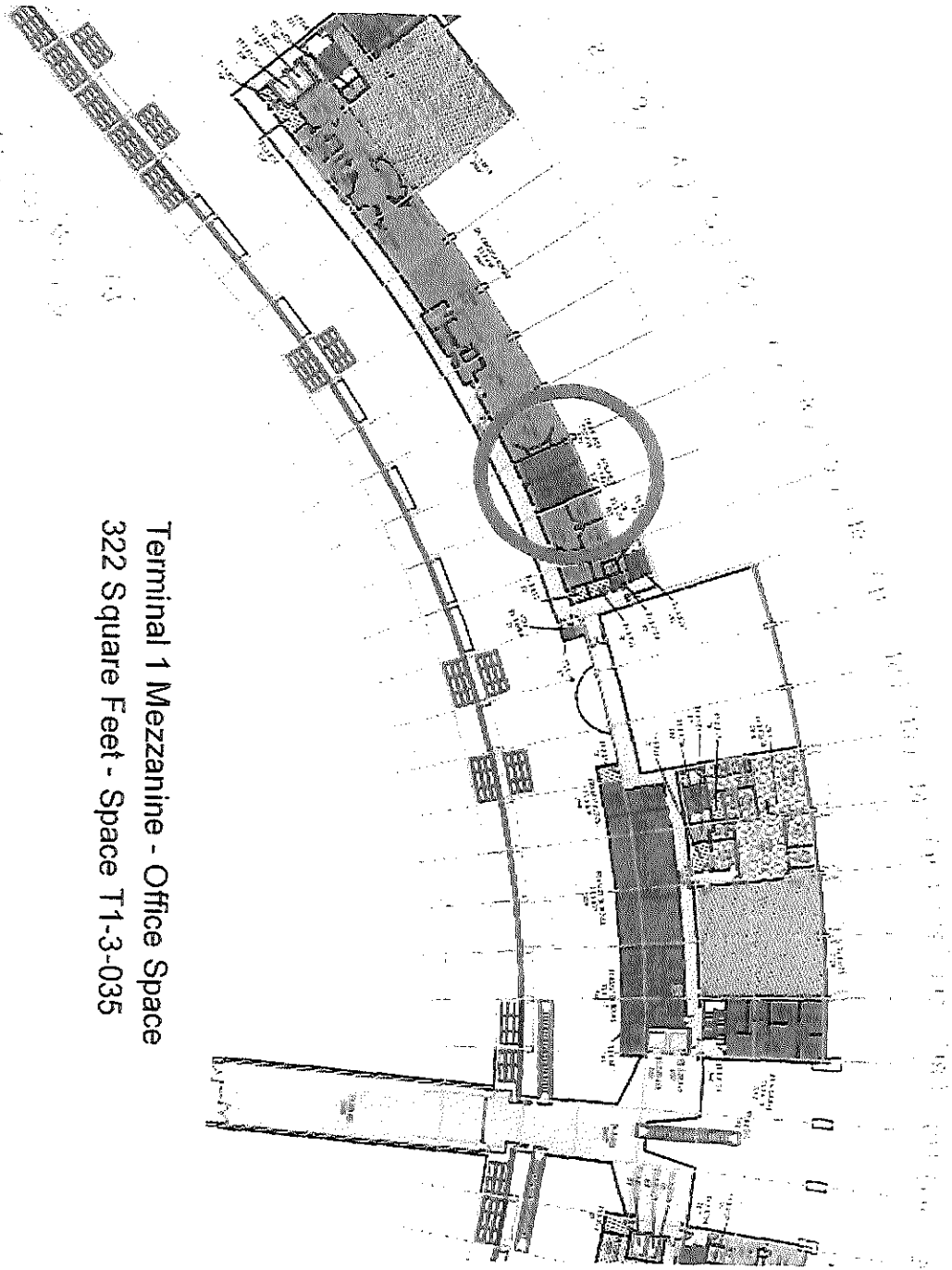


Terminal 1 Arrivals

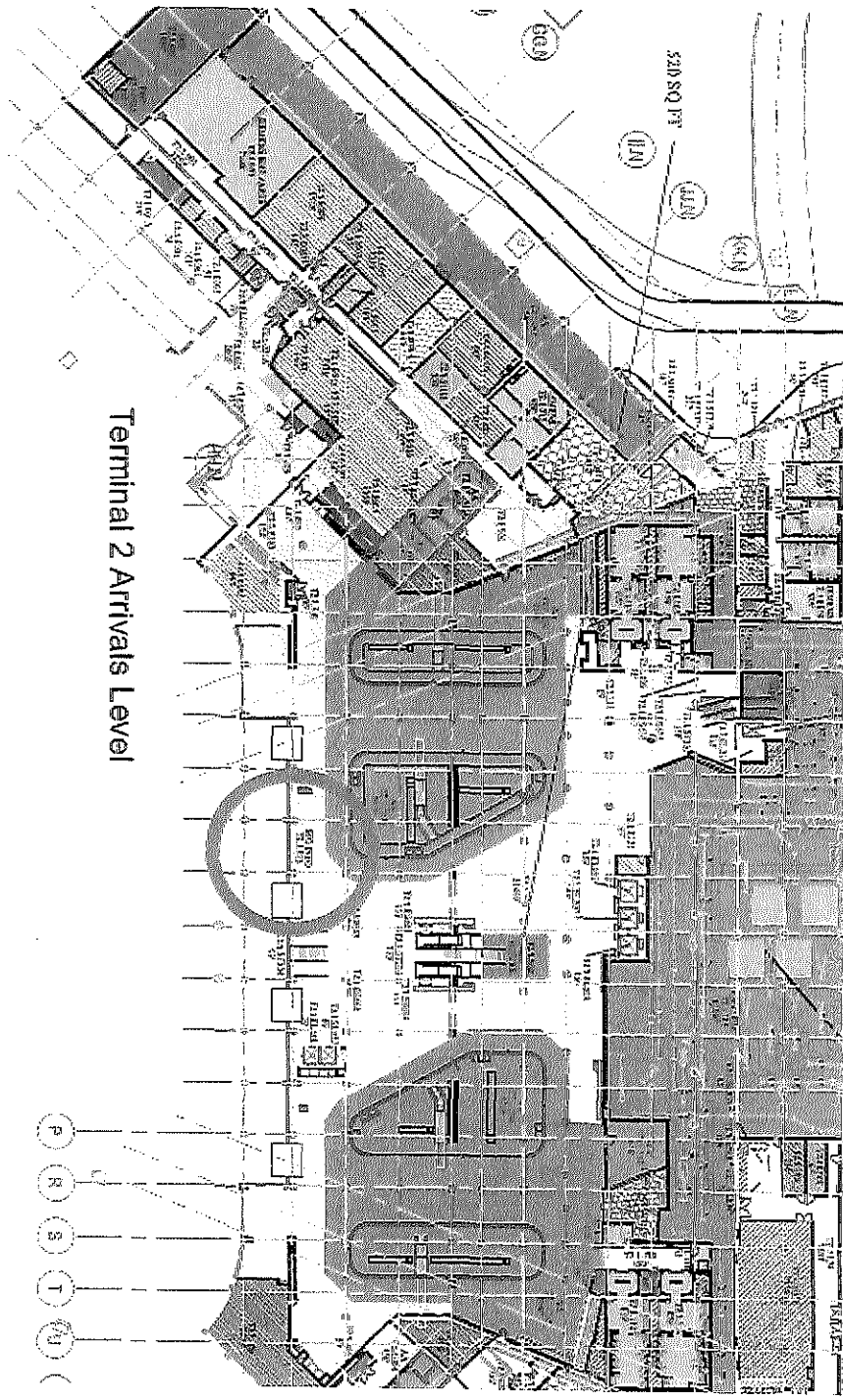
LOST & FOUND



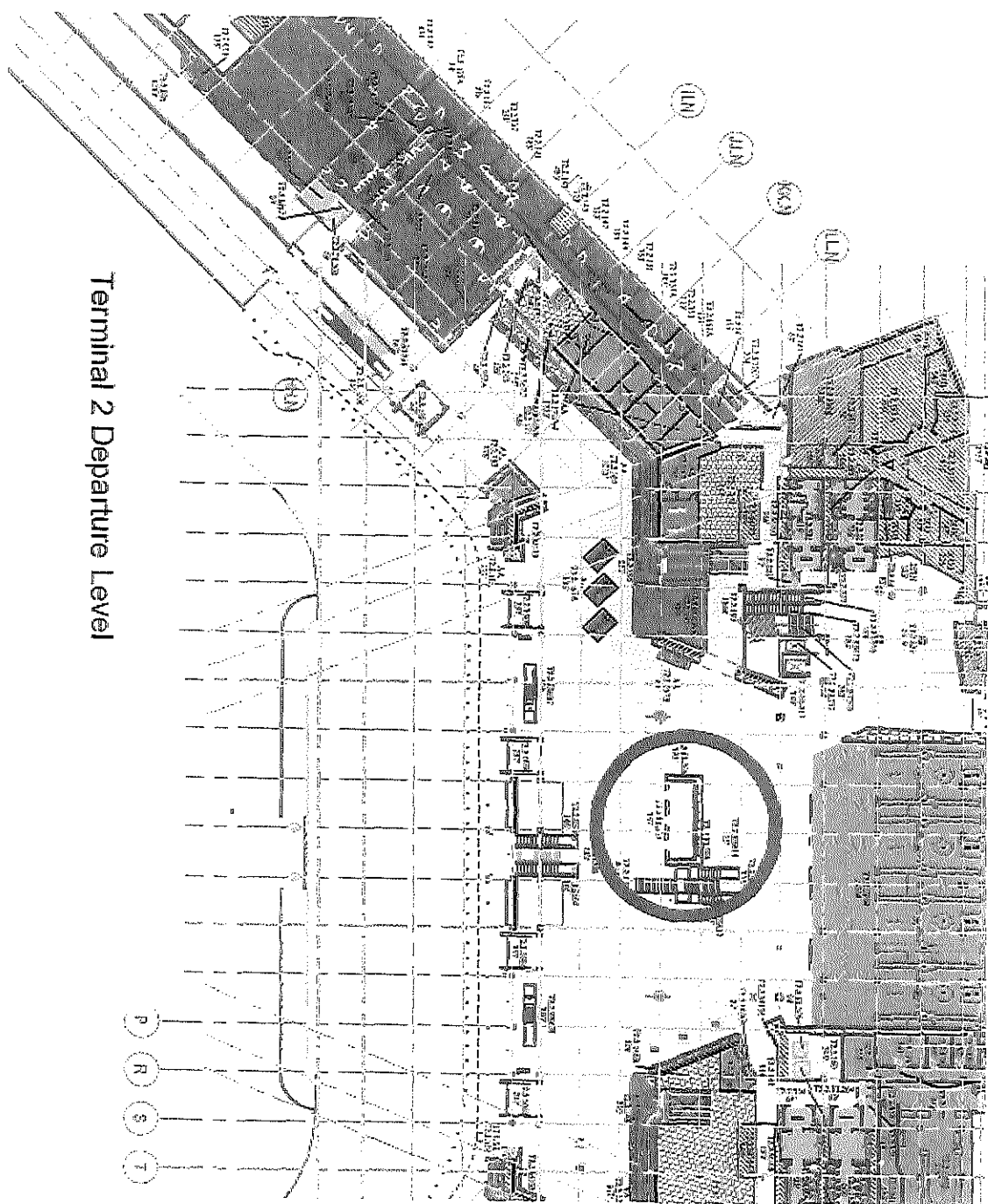
A handwritten signature or set of initials, possibly "PH", located in the bottom right corner of the page.



Terminal 1 Mezzanine - Office Space
322 Square Feet - Space T1-3-035

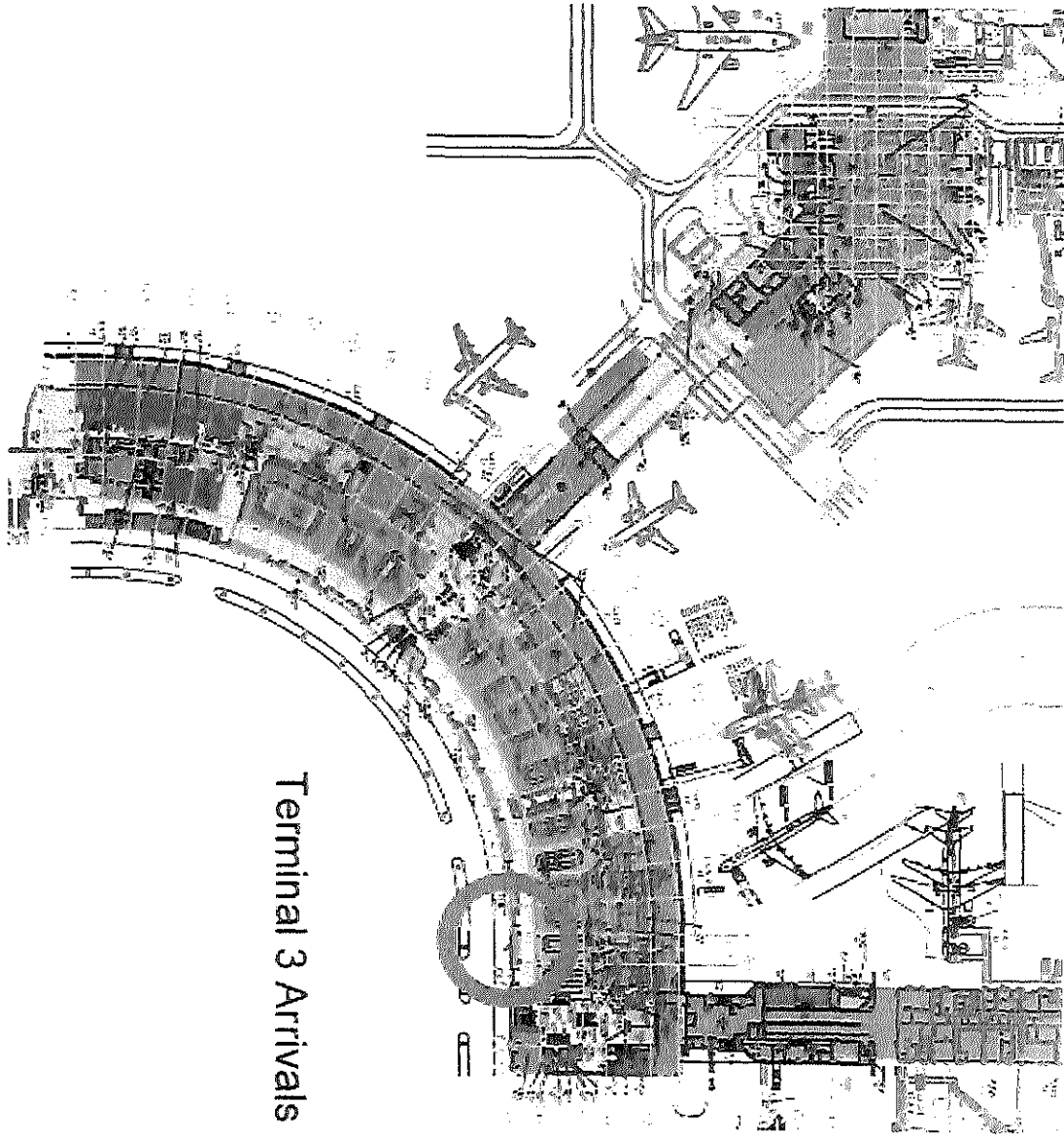


PH



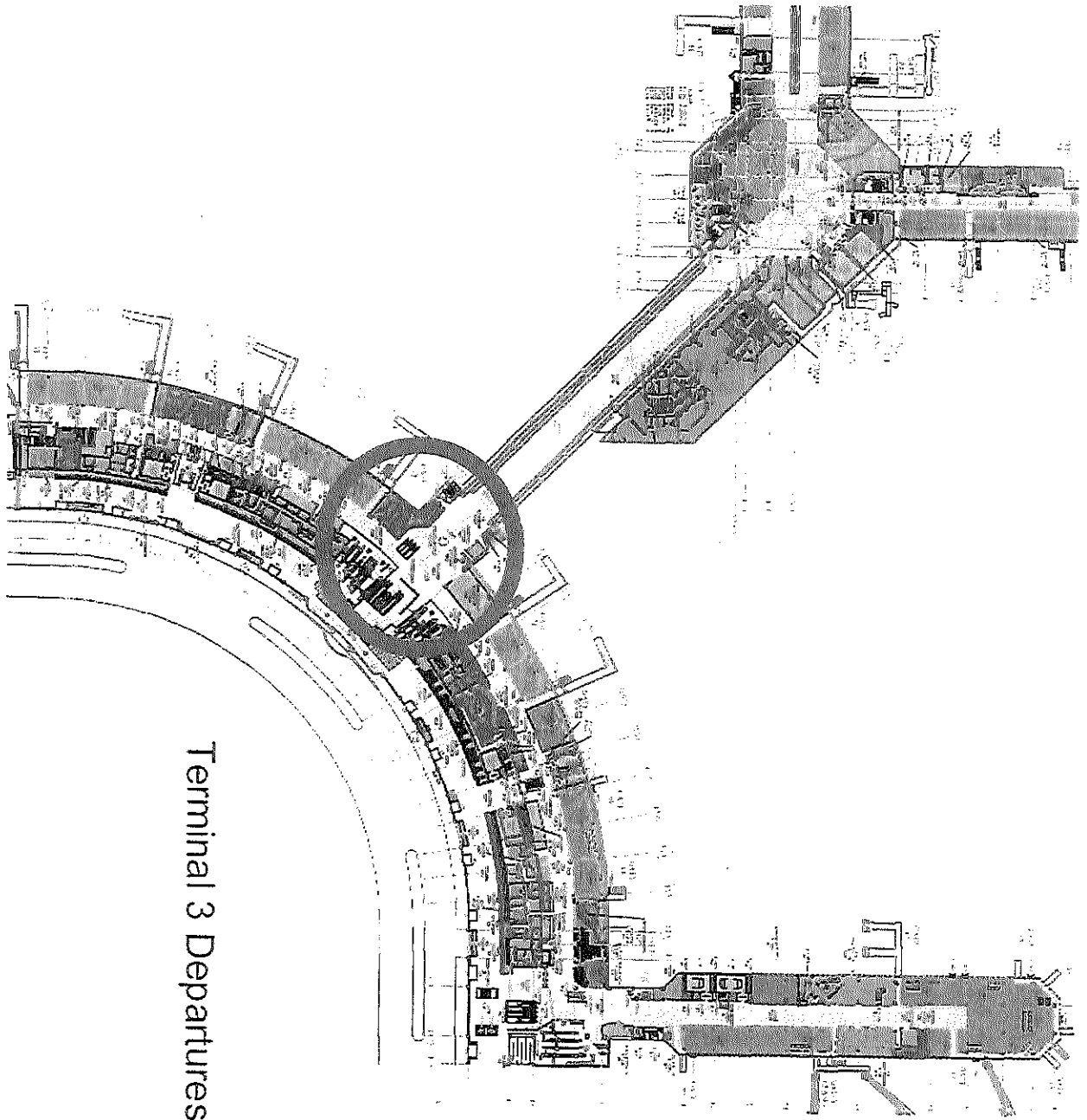
Terminal 2 Departure Level

PH



Terminal 3 Arrivals

A handwritten signature in the bottom right corner of the page, consisting of stylized initials.



Terminal 3 Departures

A handwritten signature or set of initials, possibly 'PH', located in the bottom right corner of the page.

Appendix D Foreign Language Requirements

Depending on location, Contractor staff must speak, read, and comprehend a second language other than English. Where noted below, a Spanish and Chinese speaker must be on duty at all times. Language needs are outlined below. Contractor shall focus on Tier 1 and Tier 2 languages while striving to represent as many as possible, and align language resources with customer needs.

Tier 1 – Required

Chinese – Cantonese - Required at all times (FIS Area)
Chinese – Mandarin – Required at all times (FIS Area)
Japanese – Required during arrivals from Japan
Korean - Required during arrivals from Korea
Spanish - Required at all times (FIS Area)

Tier 2 – Desirable

Arabic
Armenian
Dutch
French
German
Hindi
Hmong
Italian
Khmer
Persian
Portuguese
Punjabi
Russian
Tagalog
Urdu
Vietnamese

Appendix E
Staff Uniform Information

All guest facing staff must be issued an Airport-approved uniform set in quantities appropriate for their schedule. Items must include embroidered logo. Language pins are national flags that best represent the languages spoken by staff. All staff wear a U.S. pin.

Required items and sources for all duty positions:

Brand	Item Description	Color	Price on 01/01/16
Twin Hill	Twinhill Stanton Jacket	Charcoal	\$ 193.00
Edwards	Oxford Long Sleeves Dress Shirt	Charcoal	\$ 42.35
	Neckties	Orange	\$ 27.50
	Scarves	Orange	\$ 27.50
	Name tag	Gray	\$ 10.85
	Language Pins	Varies	\$ 6.00
Edwards	Security Pants	Black	\$ 28.50
Twin Hill	Twinhill Lenox Jacket	Charcoal	\$ 193.00
Edwards	Oxford Long Sleeves Dress Shirt	Charcoal	\$ 42.35
Edwards	Security Pants	Black	\$ 28.50
Cobmex	Cobmex Sweater Vest	Charcoal	\$ 32.25

PH

Appendix F
Customs Declaration Form Stock Quantities

Minimum Customs Declaration Form 6059-B Floor Stock Quantities for Arrivals 'A' and "G".

English	5,000	German	500
Spanish	1,000	French	500
Korean	500	Japanese	1,000
Simplified Chinese	1,000	Traditional Chinese	1,000
Vietnamese	500	Dutch	250
Russian	250		

**Appendix G-1
Form of Performance Bond**

_____ (Surety)

KNOW ALL MEN BY THESE PRESENT:

That we, _____, as Principal, and _____, a corporation duly organized and existing under and by virtue of the laws of the State of _____, as Surety, are held and firmly bound unto the City and County of San Francisco, acting by and through its Airport Commission, as Obligee, in the sum of _____ Dollars (\$ _____) lawful money of the United States of America, to be paid to the City and County of San Francisco, acting by and through its Airport Commission, for which payment, well and truly to be made, we bind ourselves, our heirs, executors and successors, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into one or more agreements with the City and County of San Francisco, Airport Commission (collectively, the "Agreements").

NOW, THEREFORE, the condition of this obligation is such that if the Principal shall perform all terms of the Agreements (which by reference are made a part hereof) in accordance with the terms of such Agreements, then this obligation shall be null and void, otherwise to remain in full force and effect; and shall be effective _____.

This bond may be called upon by Obligee by a notice sent to the Surety in person or by registered mail, overnight mail, overnight courier service, or other courier service sent to our offices at:

_____.

Any such call by Obligee shall include a statement signed by the Airport Director of the Airport Commission of the City and County of San Francisco, or his/her designee, to the effect that any of the following events has occurred or is continuing:

- a) Principal has defaulted under one or more of the Agreements; or
- b) Principal has become insolvent, or has taken the benefit of any present or future insolvency statute, or has made a general assignment for the benefit of creditors, or has filed a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or any state thereof, or any jurisdiction available to Principal, or has consented to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property; or
- c) A petition under any of the federal bankruptcy laws or an action under any present or future insolvency law or statute has been filed against Principal; or
- d) This bond is cancelled, terminated, or not renewed, and City has not received an acceptable replacement letter of credit or bond at least thirty (30) days prior to the cancellation, termination, or expiration date.

We shall honor and pay on such call within ten (10) days after receipt.

We shall give you notice in writing by registered mail at least forty-five (45) days prior to the cancellation date, termination date or expiration date of this bond, if any is stated, of our intention to cancel, terminate, or non-renew this bond. In the event we fail to give such notice promptly, then this bond shall be deemed renewed for an additional one-year period.

Signed, sealed and dated this ___ day of _____, 20__.

Principal: By: _____

Title: _____

Seal: _____

Surety Company: By: _____

Title: _____

Seal:

(Attach Notary Public Certificate and Attorney-in-Fact form)



**Appendix G-2
Form of Letter of Credit**

Date _____

Irrevocable Letter of Credit No. _____

Airport Commission
City and County of San Francisco
Attn: _____

Ladies and Gentlemen:

We hereby establish an irrevocable letter of credit in your favor in the amount of _____ United States Dollars (US\$ _____) for the account of _____ (“**Account Party**”), available by your draft at sight, when accompanied by the following document:

A statement signed by the Airport Director of the Airport Commission of the City and County of San Francisco, or his/her designee, to the effect that any of the following events has occurred or is continuing:

- a) Account Party has defaulted under the one or more agreements with the City and County of San Francisco, acting by and through its Airport Commission at San Francisco International Airport; or
- b) Account Party has become insolvent, or has taken the benefit of any present or future insolvency statute, or has made a general assignment for the benefit of creditors, or has filed a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or any state thereof, or any jurisdiction available to Account Party, or has consented to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property; or
- c) A petition under any of the federal bankruptcy laws or an action under any present or future insolvency law or statute has been filed against Account Party; or
- d) This letter of credit is cancelled or not renewed, and City has not received an acceptable replacement letter of credit or bond at least thirty (30) days prior to the cancellation or expiration date.



Drafts drawn under and in compliance with the terms of this letter of credit will be duly honored by us upon presentation and delivery of the statement specified above. Partial draws are permitted.

Such drafts may be presented in person or by registered mail, overnight mail, overnight courier service, or other courier service sent to our offices at:

We shall give you notice in writing by registered mail at least forty-five (45) days prior to the cancellation date or expiration date of this letter of credit, if any is stated, of our intention to cancel or non-renew this letter of credit. In the event we fail to give such notice promptly, then this letter of credit shall be deemed renewed for an additional one-year period. Subject to the foregoing, this letter of credit shall expire on _____, 20__.

Sincerely,

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

Modification No. 1

THIS MODIFICATION (this "Modification") is made as of April 3, 2018, in San Francisco, California, by and between **Hallmark Aviation Services, L.P.** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission, hereinafter referred to as "**Commission.**"

RECITALS

- A. City and Contractor have entered into the Agreement (as defined below); and
- B. The City has approved the contracting-out of the services under the Agreement upon the certification of the Controller that the services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels, see Board of Supervisors Resolution No. 307-16, adopted July 19, 2016; and
- C. On October 18, 2016, by Resolution No. 16-0265, the Commission awarded the Agreement to the Contractor for a term of 18 months and a not-to-exceed amount of \$11,550,000; and
- D. On December 13, 2016, by Resolution No. 533-16, the Board of Supervisors approved the Agreement under San Francisco Charter Section 9.118; and
- E. City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the performance period, increase the contract amount, modify the scope of services and calculation of charges, and update standard contractual clauses; and
- F. On April 3, 2018, by Resolution No. 18-0096, the Commission exercised the first of three two-year options to extend and approved this Modification, extending the term of the Agreement by two years, increasing the total contract not-to-exceed amount to \$27,353,224 and modifying the Scope of Work and Calculation of Charges; and
- G. On *May 22, 2018*, by Resolution No. *160-18*, the Board of Supervisors approved the Modification under San Francisco Charter Section 9.118; and
- H. City has approved the contracting-out of the services under this Agreement upon the certification of the Controller that the services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels, see Board of Supervisors Resolution No. 307-16, adopted July 19, 2016; and
- I. The Local Business Entity ("LBE") subcontracting participation requirement for this Agreement is 5%.

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

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

1.1. Agreement. The term "Agreement" shall mean the Agreement dated October 19, 2016 between Contractor and City.

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

2. Section 2. Term of the Agreement is hereby amended to extend the term of the contract for two years for a new ending date of June 30, 2020.

3. Section 5. Compensation is hereby amended to increase the total compensation payable by an amount not to exceed \$15,803,224 for a new total not to exceed amount of \$27,353,224.

4. New Section 11.19 Airport Commission Rules and Regulations is hereby added to the Agreement as follows:

11.19 Airport Commission Rules and Regulations. Contractor agrees to comply with the Airport Commission's Rules and Regulations for the San Francisco International Airport 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>.

5. New Section 11.20 Federal Fair Labor Standards Act is hereby added to the Agreement as follows:

11.20 Federal Fair Labor Standards Act. This Agreement incorporates by reference the provisions of 29 USC §201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. 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 to the referenced statute or regulation. Contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

6. New Section 11.21 Occupational Safety and Health Act of 1970 is hereby added to the Agreement as follows:

11.21 Occupational Safety and Health Act of 1970. This Agreement incorporates by reference the requirements of 29 CFR §1910 with the same force and effect as if given in full text. 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 subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (29 CFR §1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

7. New Section 11.22 Federal Nondiscrimination Requirements is hereby added to the Agreement as follows:

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

11.22.1 Compliance with Regulations. 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 Agreement.

11.22.2 Nondiscrimination. Contractor, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the Agreement covers any activity, project, or program set forth in Appendix B of 49 CFR §21.

11.22.3 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 Contractor's obligations under this Agreement and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.

11.22.4 Information and Reports. 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.

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

11.22.5.1 Withholding payments to the contractor under the contract until the contractor complies; and/or

11.22.5.2 Cancelling, terminating, or suspending a contract, in whole or in part.

11.22.6 Incorporation of Provisions. Contractor will include the provisions of paragraphs 12.6.1 through 12.6.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. 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 Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Contractor may request the Airport to enter into any litigation to protect the interests of the Airport. In addition, Contractor may request the United States to enter into the litigation to protect the interests of the United States.

11.22.7 Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Agreement, 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 §27;
- 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 §471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (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, which 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 (42 USC §12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR §37 and 38 and the Department of Justice regulations at 28 CFR, parts 35 and 36;
- 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, which 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 CFR at 74087 to 74100);
- 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.*).

8. Section B.2 “Services to be Performed” of Appendix A is deleted and replaced in its entirety as follows:

2. *Services to be Performed:*

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



- b) Provide a staffing plan based on airline flights schedules. Additional staff will be required at peak times, but as a minimum per boarding area during FIS operational hours, the Ambassadors shall be staffed at the following locations:
- One Ambassador inside the sterile corridor of each boarding area to welcome and provide way finding assistance.
 - Two Ambassadors to direct passengers at the entrance of the passport processing area to provide way finding assistance.
 - One Ambassador to manage the stanchion layout and queuing lanes.
 - Two Ambassadors to assist with kiosk operations.
 - One Ambassador at the kiosk area exits to review the kiosk receipts and provide directional assistance.
 - One Ambassador in the baggage carousel area to provide way finding assistance.
- c) Respond to requests for interpretive services.
- d) Staff will assist incoming guests with completing entry requirements on SFO's APC kiosks as follows:
- When requested by a passenger or in apparent need, the SFO Arrival Ambassador will provide assistance on the kiosks functions such as choosing the appropriate language, beginning the transaction, properly placing the passport or permanent resident card into the scanner, or positioning of the fingers for fingerprint scanning.
 - Assisting with kiosk photo functionality such as requests for passenger to remove hats, glasses, etc.; positioning the customer and/or camera to obtain a valid photo.
 - Reviewing the transaction receipt and providing directional assistance to the appropriate queue.
- e) Upon request from Customs staff, escort arriving customers from primary immigration desks to secondary interview office.
- f) Staff exit lanes from Immigration and provide wayfinding assistance to customers.
- g) The following additional services are to be provided:
- APC kiosk basic maintenance support including cleanliness of the exterior of the kiosk, reloading of paper stock, clearing printer jams, periodic cleaning of the fingerprint scanners and, when necessary, escalating issues to the Airport's Help-Desk for additional repairs.
 - Offer initial greeting and queue assistance in the arrivals hallway.
 - Offer secondary greeting and queue separation, including guidance to Global Entry, APC, Mobile Passport Control, Airline Crew, Visitor, U.S. Citizen/Permanent Resident, Diplomat, New Immigrant and other lines for passport processing.
 - Manage queuing process and stanchions for all lines.
 - Dispatch customers to available kiosks.
 - Offer personalized assistance at kiosks.
 - Staff the triage area and guide customers accordingly.
 - When appropriate, move customers between queuing areas to maximize efficiency and reduce line wait time.
 - Staff baggage areas and offer additional information and guidance to customers.



- Other duties as assigned and required such as escorting VIP arrivals, medical emergencies, participating in emergency drills and exercises, etc.
- h) Staff will manage all queuing functions to encourage efficient flow and minimize wait times including ensuring customers are in the proper line for processing, opening and closing stanchion lanes, escorting priority passengers and generally ensuring that all arriving passengers are moving and queued correctly per CBP policies and processes.
- i) Staff will ensure that passengers' documents are in order to the extent possible.
- j) Staff will employ their language skills to assist customers in need, respond to their concerns, or respond to Custom's request for foreign language assistance in processing areas. (See Appendix D)
- k) Staff will provide basic kiosk maintenance support, including keeping machines clean and stocked to ensure continuous operations, and notifying Airport Help-Desk of any maintenance issues.
- l) Manage delivery of customs supplies and materials including APC kiosk supplies, writing instruments and Customs and Immigration forms. (see Appendix F)
- m) SFO Arrivals Ambassadors are prohibited from engaging in law enforcement actions and answering questions related to CBP's law enforcement policies.

9. **Section D.5 "Performance Measures" of Appendix A** is deleted and replaced in its entirety as follows:

5. *Performance Measures*

The San Francisco International Airport (SFO) strives to offer all guests exceptional service. Services are offered at moments where customers are in need of information, assistance, or special consideration. In order to appropriately represent SFO and provide exceptional service, specific performance criteria, measurements, and standards have been established and must be met.

The Airport Director or designee will perform unannounced spot checks and a quarterly review of the Contractor's performance based on the following criteria:

Performance Criteria:

- Staffing
- Reporting – Transit Sales
- Reporting – Desk Activity
- Roster & Turnover
- Reporting – Lost & Found
- Complaints
- Complaint Response
- Language Requirement
- Report – Language Activity
- Uniforms



Performance Measurements:

A number-grading method will be used to measure Contractor's performance to determine if the Contractor is meeting expectations. Every quarter, the Contractor will begin with a maximum score of 100 points. In an event of performance deficiencies from any of the performance criteria, point(s) will be deducted per the performance standards measures as follows:

- '5' Outstanding = 0 Point Deduction
- '4' Very Good = 1 Point Deduction
- '3' Satisfactory = 2 Point Deduction
- '2' Poor = 3 Point Deduction
- '1' Unacceptable = 4 Point Deduction

After each performance criteria has been rated and final score has been determined, the final score will be categorized according to the following scale:

- 100 – 90 Excellent
- 89 – 85 Very Good
- 84 – 80 Satisfactory
- 79 – 75 Poor
- Below 75 - Unacceptable

The Contractor should strive to maintain an average score of at least '80' for the duration of the contract. The Contractor must submit an improvement plan to the Airport for any Performance Criteria that is rated '2' or under based on the standards described below. The improvement plan is due 30 days after the rating is communicated to the Contractor.

Performance Standards:

- a) Staffing. Contractor must staff all duty locations during the designated service hours. Staffing a location 10 minutes or more after designated start time, or closing 10 minutes or more before the designated closing time, ten (10) times or more per quarter constitutes poor performance and will result in a score of '2.' Failing to staff a location more than five (5) times in a quarter will result in a score of '1.'
- b) Reporting - Transit Sales. Contractor will provide a quarterly report of transit sales electronically. Accurate reports submitted on time will be scored a '5'. Failure to provide complete and accurate reports by the deadline shall result in a point deduction for each seven-day delay beginning with a score of '2'.
- c) Reporting – Desk Activity. Contractor will provide a monthly report of desk activity electronically. Contractor will advise on what the earliest reporting date is, and report on that date each month. Accurate reports submitted on time will be scored a '5'. Failure to provide complete and accurate reports by the deadline shall result in a point deduction for each seven-day delay beginning with a score of '2'.
- d) Roster & Turnover. Contractor will provide quarterly roster of staff by classification within ten (10) days after quarter end and calculate turnover rate. A turnover rate in excess of 25% without adequate explanation for the turnover constitutes poor performance and will receive a score of '2'

or less. Contractor will advise on what the earliest reporting date is, and report on that date each quarter. Accurate reports submitted on time will be scored a '5'. Failure to provide complete and accurate reports by the deadline shall result in a point deduction for each seven-day delay beginning with a score of '2'.

- e) Reporting—Lost & Found. Contractor will provide a weekly report of Lost and Found activity. Contractor will advise what the earliest reporting date is, and shall report on that day every week. The report shall include a review of items found, lost reports, reunification data, shipment info, phone calls received, and inventory data, including status of items held more than 30 days. Accurate reports submitted on time will be scored a '5'. Failure to provide complete and accurate reports by the deadline shall result in a point deduction for each seven-day delay beginning with a score of '2'.
- f) Complaints. Contractor will strive to deliver exceptional, caring service to guests and treat all with courtesy and respect. Frequent complaints about staff performance will not be tolerated. If no more than one (1) substantiated complaint is received per quarter, the Contractor will score '5.' If two (2) substantiated complaints are received in any quarter, the score will be '4' or '3' at the Airport's discretion based on the severity of the complaints. More than three (3) substantiated complaints in a quarter will result in a score of '2' or '1' at the Airport's discretion based on the severity of the complaints.
- g) Complaint Response. All complaints received must be investigated, reported, and responded to within one (1) week of receipt with a copy of the response provided to Guest Services. Failure to timely respond to and properly address any complaint is unacceptable and will result in Contractor receiving a score of '1' for that quarter.
- h) Language Requirement. Contractor will meet the foreign language requirements as stated in the contract. Failure to do so on three (3) to five (5) occasions per quarter will result in a score of '2.' Failure to do so on more than five (5) occasions per quarter will result in a score of '1.'
- i) Reporting - Language Activity. Provide a monthly report of foreign language activity electronically. Accurate reports submitted on time will be scored a '5'. Failure to provide complete and accurate reports by the deadline shall result in a point deduction for each seven-day delay beginning with a score of '2'.
- j) Uniforms. Contractor will meet the uniform requirement as stated in the contract. Failure to do so on three (3) to five (5) occasions will result in a score of '2.' Failure to do so on more than five (5) occasions will result in a score of '1.'

10. Appendix B- Calculation of Charges has been replaced in its entirety with the **New Appendix B-1 Calculation of Charges** as follows:

Appendix B-1 Calculation of Charges

Compensation under this contract shall consist of two categories: Reimbursable Costs and Management Fee Amount.

1. Reimbursable Costs

Contractor acknowledges and agrees that as the employer, it alone shall be responsible for fulfilling its obligation to its employees under the law and under any collective bargaining agreement(s), if applicable.

The Airport shall reimburse only actual costs supported by documentation acceptable to the Airport. There shall be no mark-up on reimbursable costs.

a) Direct Labor Costs

Direct Labor Costs include hourly wage rates and cost of fringe benefits for guest-facing staff as indicated below:

Hourly Wage Rates

Contractor shall submit payroll records supported by timecards or other verifiable documentation to support any application for reimbursement of Direct Labor Costs. The City shall reimburse actual hourly wages not to exceed the amounts set forth in the attached Cost Proposal. In the event the Airport's minimum compensation requirement applicable to Contractor exceeds any of the hourly wage rates set forth on the attached Cost Proposal, Contractor shall submit a revised Cost Proposal consistent with such minimum compensation requirement for the Airport's consideration. Any such modification to the Cost Proposal proposed by Contractor that would increase the total contract not-to-exceed amount must be approved by the Airport Commission and the San Francisco Board of Supervisors.

Fringe Benefits

The City shall reimburse the Contractor for the actual, documented cost of fringe benefits incurred by the contractor for front line staff at the rate established at the time of contract award for the first term of the Agreement. This shall be the 'baseline'. In the event the actual cost of fringe benefits in subsequent contract years exceeds the baseline, as prorated for a twelve-month period, the cost of the increase shall be borne equally by the Contractor and the City.

b). Indirect Labor Costs

The following Indirect Labor Costs are not reimbursable:

- Employee Recruitment
- Initial background investigations for employee security access badging
- Additional, subsequent background investigations
- Airport photo identification badges
- Replacement of lost or stolen Airport photo identification badges
- Replacement of lost or stolen employee name badges
- Food and beverages



- Payroll Services
- Travel

No other Indirect Labor Costs are reimbursable in the absence of prior written approval by the Airport Director or designee.

The following conditions apply to other Indirect Costs:

Employees

- Uniform costs will be reimbursed provided that each guest-facing employee is provided with a uniform set that is reasonable for the number of hours or days worked per week. Costs for replacements due to normal wear will be reimbursed.
- Dry cleaning of uniform jackets, ties, and pants and initial hemming costs for pants only shall be a reimbursable expense only for line and immediate supervisory personnel. Such costs are to be reasonable.
- Personnel timekeeping equipment and equipment maintenance shall be reimbursable only if such costs are reasonable, necessary to the operation of the contracted scope, and approved by the Airport in advance.
- City shall reimburse Contractor a maximum of \$150 per employee for recognition awards with a cap of \$2,500 per quarter.

Telephone/Intranet

- Airport will provide four (4) telephones and phone lines with voicemail boxes for the Airport Information and Guest Services contract administrative office. Maintenance and replacement (if necessary) of the telephones and telephone lines is the responsibility of the Airport. The costs of local telephone calls are paid for by the Airport. The Airport currently pays for long distance telephone calls that are necessary for operating the Airport Information and Guest Services contract. A log of all long distance telephone calls must be maintained and include: name of person called, phone number called and reason for the call.
- Contractor shall contract with a cellular telephone service that provides excellent coverage at SFO and in the Bay Area and provide up to six (6) cellular phones for use in operating the Airport Information and Guest Services contract. Telephones should retain the same cellular telephone numbers currently in use for the Information Desk Program. Use and monthly fees for said phones authorized by the Airport will be reimbursable expenses. Costs for obtaining cellular phones, maintaining and replacing said phones will be reimbursable provided that said expenses are reasonable, and prior authorization is obtained from the Airport. Costs for replacing phones and equipment that are lost or damaged through employee negligence will not be reimbursed.
- Wireless text messaging services are not reimbursable expenses, unless unlimited text messaging is provided at no additional charge as part of an Airport-approved cell phone contract. Wireless Internet service is not reimbursable.
- Airport will provide broadband Internet access and email accounts on the SFO email system in the Airport Information and Guest Services contract administrative office. Costs for other Internet



providers or email accounts are not reimbursable expenses, unless specifically involved in trip planning, ground transportation applications, and/or ticket sales operations.

- Airport will provide up to six (6) telephones and telephone lines in each information desk. Maintenance and replacement (if necessary) of the telephones and telephone lines is the responsibility of the Airport. The costs of local telephone calls are paid for by the Airport. The Airport currently pays for long distance telephone calls that are necessary for operating the Airport Information and Guest Services contract. A log of all long distance telephone calls must be maintained and include: name of person called, phone number called and reason for the call.

Postal Services

- Postage for routine certified, first-class, and priority mail letters emanating from the operation of the Airport Information and Guest Services contract shall be a reimbursable expense. Postage charges for routine certified, first-class, and priority mail letters emanating from offices outside the Airport shall not be a reimbursable expense.
- Express next-day or two-day shipments (e.g., Airborne Express, DHL, Federal Express, UPS, etc.) shall not be a reimbursable expense unless it is part of an Airport-authorized purchase of equipment or other materials and supplies.
- Letterhead and business cards shall not be a reimbursable expense.

Office Equipment

- The Airport will provide and service computers and related peripheral equipment (e.g., printer, monitors) used for administrative office functions.
- The Airport will provide and maintain basic software for use in the computers (e.g., word processing, spreadsheet, database, operating system, anti-virus, and internet browser).
- Computer software programs shall not be a reimbursable expense unless approved in advance by the Airport.
- Computer consumables (e.g., laser cartridges, inkjet cartridges, toner, floppy diskettes, paper) shall be reimbursable upon advanced approval by the Airport only if said costs are reasonable and purchases were essential.
- Airport will provide necessary office furniture (e.g., desk surface, file cabinets, chairs, table(s)) for the office space.
- Airport will provide a safe for securing cash received in transit pass ticket sales.
- Other office equipment, materials, and supplies shall be reimbursable only if such costs are reasonable and have been approved in advance by the Airport

Equipment and Operations



- The Airport will provide a Telecommunications Device for the Deaf (TDD), also known as a Teletypewriter (TTY), in each staffed information desk. Maintenance and replacement (if necessary) of the TDD/TTY is the responsibility of the Airport.
- The Airport will supply chairs for the staffed Information Desks a. If the chairs need maintenance or replacement, these costs will be reimbursable if they are reasonable and have been approved by the Airport in advance.
- Supplies for the Information Desks (e.g., cleaning supplies, first aid kits, facial tissue, cash boxes, etc.) will be reimbursable only if such costs are reasonable and have been approved in advance by the Airport.
- Equipment and software licensing fees for the operation of the Lost and Found Office will be reimbursable up to \$12,000 per year.
- Maintenance and support costs for Point of Sale systems are a reimbursable cost if they are reasonable and have been approved by the Airport in advance.

July 1, 2018 through June 30, 2019 Cost Proposal - Airport Information and Guest Assistance Services

Direct Labor Costs	FTE	Budgeted Hours	Hourly Rate	Total Cost
<i>Hallmark</i>				
International Arrival Ambassador	62.0	128,960	\$ 17.00	\$ 2,192,320.00
Lost & Found Agent	5.1	10,608	\$ 17.00	\$ 180,336.00
Lost & Found Lead	1.4	2,912	\$ 19.47	\$ 56,696.64
International Arrival Ambassador Lead	4.2	8,736	\$ 19.47	\$ 170,089.92
Totals - Hallmark	72.7	151,216		\$ 2,599,442.56
<i>Polaris</i>				
Guest Service Ambassador	26.2	54,496	\$ 18.74	\$ 1,021,255.04
Guest Service Ambassador Supervisor	8.4	17,472	\$ 20.09	\$ 351,012.48
Volunteer Program Coordinator	2.0	4,160	\$ 37.89	\$ 157,622.40
Volunteer Program Coordinator - PT	1.0	2,080	\$ 37.89	\$ 78,811.20
Totals - Polaris	37.6	78,208		\$ 1,608,701.12

TOTAL DIRECT LABOR \$ 4,208,143.68

Indirect Labor Costs	Fringe Percent	Total Cost
<i>Hallmark</i>		
Health, Dental, Life Insurance	0.1771	\$ 460,361.28
Worker's Compensation	0.0354	\$ 92,020.27
FICA, FUTA SUI	0.11	\$ 285,938.68
Personal Leave	0.0462	\$ 120,094.25
Holiday premium	0.0192	\$ 49,909.30
401K Matching	0.032	\$ 83,182.16
Staff Welfare & Morale	0.0095	\$ 24,694.70
Totals - Hallmark		\$ 1,116,200.64

Indirect Labor Costs	Fringe Percent	Total Cost
<i>Polaris</i>		
Health, Dental, Life Insurance	0.1425	\$ 229,239.91
Worker's Compensation	0.02	\$ 32,174.02
FICA, FUTA SUI	0.1013	\$ 162,961.42
Personal Leave	0.147	\$ 236,479.06
Holiday premium	0.0192	\$ 30,887.05
401K Matching	0.0335	\$ 53,891.49
Staff Welfare & Morale	0.008	\$ 12,869.61
401K Profit Sharing	0.04	\$ 64,348.04
Totals - Polaris		\$ 822,850.62

TOTAL INDIRECT LABOR \$ 1,939,051.26



Management Fee July 1, 2018 through June 30, 2019
Management Fee \$ 1,485,648.00

TOTAL MANAGEMENT FEE \$ 1,485,648.00

Other Direct Costs

Office Equipment and Technical Support	\$ 57,110.00
Reward & Recognition	\$ 10,000.00
Uniforms and Dry Cleaning	\$ 85,000.00
ADM Customer Support Supplies	\$ 15,000.00
Performance Bond	\$ 38,000.00
Fringe Reimbursement	\$ 5,000.00

TOTAL OTHER DIRECT COSTS \$ 210,110.00

Total July 1, 2018 through June 30, 2019 Cost Proposal \$ 7,842,952.94

July 1, 2019 through June 30, 2020 Cost Proposal - Airport Information and Guest Assistance Services

Direct Labor Costs	FTE	Budgeted Hours	Hourly Rate	Total Cost
<i>Hallmark</i>				
International Arrival Ambassador	62.0	128,960	\$ 17.35	\$ 2,237,456.00
Lost & Found Agent	5.1	10,608	\$ 17.35	\$ 184,048.80
Lost & Found Lead	1.4	2,912	\$ 19.88	\$ 57,890.56
International Arrival Ambassador Lead	4.2	8,736	\$ 19.88	\$ 173,671.68
Totals - Hallmark	72.7	151,216		\$ 2,653,067.04
<i>Polaris</i>				
Guest Service Ambassador	26.2	54,496	\$ 19.13	\$ 1,042,508.48
Guest Service Ambassador Supervisor	8.4	17,472	\$ 20.51	\$ 358,350.72
Volunteer Program Coordinator	2.0	4,160	\$ 38.68	\$ 160,908.80
Volunteer Program Coordinator - PT	1.0	2,080	\$ 38.68	\$ 80,454.40
Totals - Polaris	37.6	78,208		\$ 1,642,222.40
TOTAL DIRECT LABOR				\$ 4,295,289.44

Indirect Labor Costs	Fringe Percent	Total Cost
<i>Hallmark</i>		
Health, Dental, Life Insurance	0.1771	\$ 469,858.17
Worker's Compensation	0.0354	\$ 93,918.57
FICA, FUTA SUI	0.11	\$ 291,837.37
Personal Leave	0.0462	\$ 122,571.70
Holiday premium	0.0192	\$ 50,938.89
401K Matching	0.032	\$ 84,898.15
Staff Welfare & Morale	0.0095	\$ 25,204.14
Totals - Hallmark		\$ 1,139,226.99

Indirect Labor Costs	Fringe Percent	Total Cost
<i>Polaris</i>		
Health, Dental, Life Insurance	0.1425	\$ 234,016.69
Worker's Compensation	0.02	\$ 32,844.45
FICA, FUTA SUI	0.1019	\$ 166,357.13
Personal Leave	0.147	\$ 241,406.69
Holiday premium	0.0192	\$ 31,530.67
401K Matching	0.0335	\$ 55,014.45
Staff Welfare & Morale	0.008	\$ 13,137.78
401K Profit Sharing	0.04	\$ 65,688.90
Totals - Polaris		\$ 839,996.76

TOTAL INDIRECT LABOR \$ 1,979,223.74





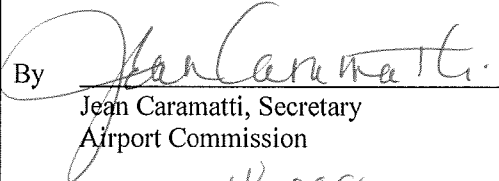
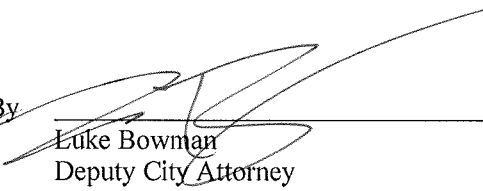
<u>Management Fee</u>	<u>July 1, 2019 through June 30, 2020</u>
Management Fee	\$ 1,485,648.00
TOTAL MANAGEMENT FEE \$ 1,485,648.00	
<u>Other Direct Costs</u>	
Office Equipment and Technical Support	\$ 57,110.00
Reward & Recognition	\$ 10,000.00
Uniform and Dry Cleaning	\$ 70,000.00
ADM Guest Support Supplies	\$ 20,000.00
Performance Bond	\$ 38,000.00
Fringe Reimbursement	\$ 5,000.00
TOTAL OTHER DIRECT COSTS \$ 200,110.00	
Total July 1, 2019 through June 30, 2019 Cost Proposal \$ 7,960,271.18	

11. Effective Date. Each of the changes set forth in this Modification shall be effective on and after the date of this Modification.

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



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

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By:  Ivar C. Satero, Airport Director	 Authorized Signature
Attest:	Printed Name Philipp Huber
By:  Jean Caramatti, Secretary Airport Commission	Title President
Resolution No: 18-0096	Company Name Hallmark Aviation Services L.P.
Adopted on: April 3, 2018	City Vendor Number 74707 / 0000019096
Approved as to Form:	Address 5757 W Century Blvd, Suite 860
Dennis J. Herrera City Attorney	City, State, ZIP Los Angeles, CA 90045
By:  Luke Bowman Deputy City Attorney	Telephone Number 310 215 7213
	Federal Employer ID Number 95-421-7627



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

Modification No. 2

THIS MODIFICATION (this "Modification") is dated for convenience as of July 1, 2019, in San Francisco, California, by and between **Hallmark Aviation Services, L.P.** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission, hereinafter referred to as "**Commission.**"

RECITALS

- A. City and Contractor have entered into the Agreement (as defined below); and
- B. The City has approved the contracting-out of the services under the Agreement upon the certification of the Controller that the services can be performed by a contractor at a lower cost than by City employees at current salary and benefit levels, see Board of Supervisors Resolution No. 307-16, adopted July 19, 2016; and
- C. On October 18, 2016, by Resolution No. 16-0265, the Commission awarded the Agreement to the Contractor for a term of 18 months and a not-to-exceed amount of \$11,550,000; and
- D. On December 13, 2016, by Resolution No. 533-16, the Board of Supervisors approved the Agreement under San Francisco Charter Section 9.118; and
- E. On April 3, 2018, by Resolution No. 18-0096, the Commission exercised the first of three two-year options to extend and approved Modification No. 1 ("Modification No. 1"), extending the term of the Agreement by two years, increasing the total contract not-to-exceed amount to \$27,353,224 and modifying the Scope of Work and Calculation of Charges; and
- F. On May 22, 2018, by Resolution No. 160-18, the Board of Supervisors approved Modification No. 1 under San Francisco Charter Section 9.118; and
- G. City and Contractor desire to further modify the Agreement on the terms and conditions set forth herein to modify the contract to increase the labor rate to the new QSP rate and update standard contractual clauses; and
- H. The Local Business Entity ("LBE") subcontracting participation requirement for this Agreement is 5 %.

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

- 1. **Definitions.** The following definitions shall apply to this Modification:
- 2. **Article 1. Definitions, 1.1 Agreement** has been revised. The definition "Agreement" shall mean the Agreement dated October 19, 2016 between Contractor and City, as amended by Modification No. 1, dated April 3, 2018.



3. **Article 1. Definitions, Other Terms**, was incorrectly added as “1.2 Other Terms” in the Modification No. 1, and is now corrected to add **1.10 Other Terms** to read as follows:

New 1.10 Other Terms. Terms used and not defined in this Modification shall have the meanings assigned to such terms in the Agreement.

4. **Article 1. Definitions, 1.11 City Data or Data** is added to the Agreement as follows:

New Section 1.11 City Data or Data. “City Data” or “Data” includes, but is not limited to, all data collected, used, maintained, processed, stored, or generated by or on behalf of the City in connection with this Agreement. This includes data that is provided by a third-party for use under this Agreement.

5. **Article 1. Definitions, 1.12 Confidential Information** is added to the Agreement as follows:

1.12.1 “Confidential Information” means confidential City information including, but not limited to, personally-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).

1.12.2 “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 and 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.

6. **Article 4.5 Assignment** is replaced in its entirety as follows:

4.5 Assignment. The Services to be performed by Contractor are personal in character. Neither this Agreement, nor any duties or obligations hereunder, may be directly or indirectly assigned, novated, hypothecated, transferred, or delegated by Contractor, or, where the Contractor is a joint venture, a joint venture partner, (collectively referred to as an “Assignment”) unless first approved by City by written instrument executed and approved in the same manner as this Agreement in accordance with the Administrative Code. The City’s approval of any such Assignment is subject to the Contractor demonstrating to City’s reasonable satisfaction that the proposed transferee is: (i) reputable and capable, financially and otherwise, of performing each of Contractor’s obligations under this Agreement and any other documents to be assigned, (ii) not forbidden by applicable law from transacting business or entering into contracts with City; and (iii) subject to the jurisdiction of the courts of the State of California. A change of ownership or control of Contractor or a sale or transfer of substantially all of the assets of

Contractor shall be deemed an Assignment for purposes of this Agreement. Contractor shall immediately notify City about any Assignment. Any purported Assignment made in violation of this provision shall be null and void.

7. **Article 7.3 Withholding** is added to the Agreement as follows:

7.3 **Withholding.** Contractor agrees that it is obligated to pay all amounts due to the City under the San Francisco Business and Tax Regulations Code during the term of this Agreement. Pursuant to 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 the City under the San Francisco Business and Tax Regulations Code. Any payments withheld under this paragraph shall be made to Contractor, without interest, upon Contractor coming back into compliance with its obligations.

8. **Article 8.2.1 (a).** The table after Article 8.2.1 (a) is amended to add Article 11.25 Nondisclosure of City Data, Private or Confidential Information and Article 11.26 Management of City Data and Confidential Information to the table.

9. **Article 8.4.1.** The table after Article 8.4.1 is amended to add Article 11.25 Nondisclosure of City Data, Private or Confidential Information and Article 11.26 Management of City Data and Confidential Information to the table.

10. **Article 10.4 Nondisclosure of Private, Proprietary or Confidential Information** is replaced in its entirety with **Article 10.4 Consideration of Salary History** as follows:

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

11. **Article 10.11 Limitations on Contributions** is replaced in its entirety as follows:

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 the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, for a grant, loan or loan guarantee, or for a development agreement, from making any campaign contribution to (i) a City elected official if the contract must be approved by that official, a board on which that official serves, or the board of a state agency on which an appointee of that official serves, (ii) a candidate for that City elective office, or (iii) a committee controlled by such elected official or a candidate for that office, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve months after the date the



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 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.

12. Article 10.17 Sugar-Sweetened Beverage Prohibition is replaced in its entirety with **Article 10.17 Distribution of Beverages and Water** as follows:

10.17 Distribution of Beverages and Water.

10.17.1 Sugar-Sweetened Beverage Prohibition. Contractor agrees that it shall not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Agreement.

10.17.2 Packaged Water Prohibition. Contractor agrees that it shall not sell, provide, or otherwise distribute Packaged Water, as defined by San Francisco Environment Code Chapter 24, as part of its performance of this Agreement.

13. Article 11.23 Incorporation of Recitals is added to the Agreement as follows:

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

14. Article 11.24 Notification of Legal Requests is added to the Agreement as follows:

11.24 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 all data given to Contractor by City in the performance of this Agreement ("City Data" or "Data"), or which in any way might reasonably require access to City's Data, and in no event later than 24 hours after it 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 the City's instruction and requests, including, without limitation, any retention schedules and/or litigation hold orders provided by the City to Contractor, independent of where the City Data is stored.

15. Article 11.25 Disclosure of City Data, Private or Confidential Information is added to the Agreement as follows:

11.25 Nondisclosure of City Data, Private or Confidential Information.

11.25.1 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.

11.25.2 Confidential Information. In the performance of Services, Contractor may have access to City Data and /or City's Confidential Information, the disclosure of which to third parties may damage City. If City discloses City Data or Confidential Information to Contractor, 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 Confidential Information.

16. **Article 11.26 Management of City Data and Confidential Information** is added to the Agreement as follows:

11.26 Management of City Data and Confidential Information

11.26.1 Access to City Data. City shall at all times have access to and control of all data given to Contractor by City in the performance of this Agreement ("City Data" or "Data"), and shall be able to retrieve it in a readable format, in electronic form and/or print, at any time, at no additional cost.

11.26.2 Use of City Data and Confidential Information. Contractor agrees to hold City's Confidential Information received from or created on behalf of the City in strictest confidence. Contractor shall not use or disclose City's Data or Confidential Information except as permitted or required by the Agreement or as otherwise authorized in writing by the City. Any work using, or sharing or storage of, City's Confidential Information outside the United States is subject to prior written authorization by the City. Access to City's Confidential Information must be strictly controlled and limited to Contractor's staff assigned to this project on a need-to-know basis only. Contractor is provided a limited non-exclusive license to use the City Data or Confidential Information 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 the City Data or Confidential Information, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third-party. Unauthorized use of City Data or Confidential Information 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, stored or transmitted by the service, for commercial purposes, advertising or advertising-related purposes, or for any purpose other than security or service delivery analysis that is not explicitly authorized.

11.26.3 Disposition of Confidential Information. Upon termination of Agreement or request of City, Contractor shall within forty-eight (48) hours return all Confidential Information which includes all original media. Once Contractor has received written confirmation from City that Confidential Information has been successfully transferred to City, Contractor shall within ten (10) business days purge all Confidential Information from its servers, any hosted environment Contractor has used in performance of this Agreement, 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.

17. **Appendix B-1 Calculation of Charges, July 1, 2018 through June 30, 2019 Cost Proposal** (as set forth in Modification No. 1) is replaced in its entirety with the **Appendix B-1 Cost Proposal Table B-1.1 July 1, 2018 through June 30, 2019** as follows:



Appendix B-1 Cost Proposal Table B-1.1 July 1, 2018 through June 30, 2019

July 1, 2018 through June 30, 2019 Cost Proposal - Airport Information and Guest Assistance Services

Direct Labor Costs	Budgeted		Hourly	Total Cost
	FTE	Hours	Rate	
<i>Hallmark</i>				
International Arrival Ambassador	62.0	128,960	\$ 17.00	\$ 2,192,320.00
Lost & Found Agent	5.1	10,608	\$ 17.00	\$ 180,336.00
Lost & Found Lead	1.4	2,912	\$ 19.47	\$ 56,696.64
International Arrival Ambassador Lead	4.2	8,736	\$ 19.47	\$ 170,089.92
Totals - Hallmark	72.7	151,216		\$ 2,599,442.56
Actual Direct Labor Costs - Hallmark				\$ 2,574,402.95

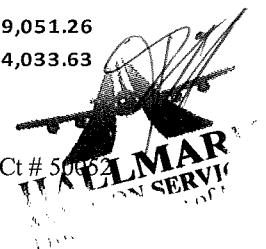
<i>Polaris</i>				
Guest Service Ambassador	26.2	54,496	\$ 18.74	\$ 1,021,255.04
Guest Service Ambassador Supervisor	8.4	17,472	\$ 20.09	\$ 351,012.48
Volunteer Program Coordinator	2.0	4,160	\$ 37.89	\$ 157,622.40
Volunteer Program Coordinator - PT	1.0	2,080	\$ 37.89	\$ 78,811.20
Totals - Polaris	37.6	78,208		\$ 1,608,701.12
Actual Direct Labor Costs - Polaris				\$ 1,463,509.29

TOTAL DIRECT LABOR \$ 4,208,143.68
ACTUAL DIRECT LABOR \$ 4,037,912.24

Indirect Labor Costs	Fringe Percent		Total
	Percent	Dollars	
<i>Hallmark</i>	Health, Dental, Life Insurance	0.1771	\$ 460,361.28
	Worker's Compensation	0.0354	\$ 92,020.27
	FICA, FUTA SUI	0.11	\$ 285,938.68
	Personal Leave	0.0462	\$ 120,094.25
	Holiday premium	0.0192	\$ 49,909.30
	401K Matching	0.032	\$ 83,182.16
	Staff Welfare & Morale	0.0095	\$ 24,694.70
	Totals - Hallmark		\$ 1,116,200.64
		Actual Total - Hallmark \$ 1,105,448.63	

Indirect Labor Costs	Fringe Percent		Total
	Percent	Dollars	
<i>Polaris</i>	Health, Dental, Life Insurance	0.1425	\$ 229,239.91
	Worker's Compensation	0.02	\$ 32,174.02
	FICA, FUTA SUI	0.1013	\$ 162,961.42
	Personal Leave	0.147	\$ 236,479.06
	Holiday premium	0.0192	\$ 30,887.06
	401K Matching	0.0335	\$ 53,891.49
	Staff Welfare & Morale	0.008	\$ 12,869.61
	401K Profit Sharing	0.04	\$ 64,348.04
Totals - Polaris		\$ 822,850.62	
		Actual Total - Polaris \$ 748,585.00	

TOTAL INDIRECT LABOR \$ 1,939,051.26
ACTUAL INDIRECT LABOR \$ 1,854,033.63



Management Fee	July 1, 2018 through June 30, 2019
Management Fee	\$ 1,485,648.00

TOTAL MANAGEMENT FEE \$ 1,485,648.00

Other Direct Costs

Office Equipment and Technical Support	\$ 57,110.00
Reward & Recognition	\$ 10,000.00
Uniforms and Dry Cleaning	\$ 85,000.00
ADM Customer Support Supplies	\$ 15,000.00
Performance Bond	\$ 38,000.00
Fringe Reimbursement	\$ 5,000.00

TOTAL OTHER DIRECT COSTS \$ 210,110.00

ACTUAL OTHER DIRECT COSTS \$ 162,229.26

Total July 1, 2018 through June 30, 2019 Cost Proposal \$ 7,842,952.94
 Actual Total Cost July 1, 2018 through June 30, 2019 Cost Proposal \$ 7,539,823.13

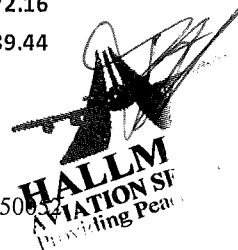
18. Appendix B-1 Calculation of Charges, July 1, 2019 through June 30, 2020 Cost Proposal (as set forth in Modification No. 1) is replaced in its entirety with the Appendix B-1 Cost Proposal Table B-1.2 July 1, 2019 through June 30, 2020 as follows:

Appendix B-1 Cost Proposal Table B-1.2 July 1, 2019 through June 30, 2020

July 1, 2019 through June 30, 2020 Cost Proposal - Airport Information and Guest Assistance Services

Direct Labor Costs	FTE	Budgeted	Hourly Rate	Total Cost
<i>Hallmark</i>				
International Arrival Ambassador	62.0	128,960	\$ 18.16	\$ 2,341,913.60
Lost & Found Agent	5.1	10,608	\$ 18.16	\$ 192,641.28
Lost & Found Lead	1.4	2,912	\$ 20.81	\$ 60,598.72
International Arrival Ambassador Lead	4.2	8,736	\$ 20.81	\$ 181,796.16
Totals - Hallmark	72.7	151,216		\$ 2,776,949.76
FORMER Totals - Hallmark				\$ 2,653,067.04
<i>Polaris</i>				
Guest Service Ambassador	26.2	54,496	\$ 19.13	\$ 1,042,508.48
Guest Service Ambassador Supervisor	8.4	17,472	\$ 20.51	\$ 358,350.72
Volunteer Program Coordinator	2.0	4,160	\$ 38.68	\$ 160,908.80
Volunteer Program Coordinator - PT	1.0	2,080	\$ 38.68	\$ 80,454.40
Totals - Polaris	37.6	78,208		\$ 1,642,222.40

TOTAL DIRECT LABOR \$ 4,419,172.16
FORMER DIRECT LABOR TOTAL \$ 4,295,289.44



Indirect Labor Costs		Fringe Percent	
<i>Hallmark</i>	Health, Dental, Life Insurance	0.1771	\$ 491,797.80
	Worker's Compensation	0.0354	\$ 98,304.02
	FICA, FUTA SUI	0.11	\$ 305,464.47
	Personal Leave	0.0462	\$ 128,295.08
	Holiday premium	0.0192	\$ 53,317.44
	401K Matching	0.032	\$ 88,862.39
	Staff Welfare & Morale	0.0095	\$ 26,381.02
	Totals - Hallmark		\$ 1,192,422.23
FORMER Totals - Hallmark			\$ 1,139,226.99

		Fringe Percent	
<i>Polaris</i>	Health, Dental, Life Insurance	0.1425	\$ 234,016.69
	Worker's Compensation	0.02	\$ 32,844.45
	FICA, FUTA SUI	0.1013	\$ 166,357.13
	Personal Leave	0.147	\$ 241,406.69
	Holiday premium	0.0192	\$ 31,530.67
	401K Matching	0.0335	\$ 55,014.45
	Staff Welfare & Morale	0.008	\$ 13,137.78
	401K Profit Sharing	0.04	\$ 65,688.90
Totals - Polaris		\$ 839,996.76	

TOTAL INDIRECT LABOR \$ 2,032,418.98
FORMER TOTAL INDIRECT LABOR \$ 1,979,223.75

Management Fee	July 1, 2019 through June 30, 2020
Management Fee	\$ 1,485,648.00
TOTAL MANAGEMENT FEE	\$ 1,485,648.00






Other Direct Costs	
Office Equipment and Technical Support	\$ 87,110.00
Reward & Recognition	\$ 20,000.00
Uniform and Dry Cleaning	\$ 146,051.85
ADM Guest Support Supplies	\$ 30,000.00
Performance Bond	\$ 38,000.00
Fringe Reimbursement	\$ 5,000.00
TOTAL OTHER DIRECT COSTS	\$ 326,161.85
FORMER TOTAL INDIRECT LABOR	\$ 200,110.00

Total July 1, 2019 through June 30, 2020 Cost Proposal \$ 8,263,400.99
FORMER Total July 1, 2019 through June 30, 2020 Cost Proposal \$ 7,960,271.18

19. Effective Date. Each of the changes set forth in this Modification shall be effective on and after the date of this Modification.

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

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

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
<p>By: </p> <p>Ivar C. Satero, Airport Director</p>	<p></p> <p>Authorized Signature</p> <p></p> <p>Printed Name</p> <p></p> <p>Title</p>
<p>Approved as to Form:</p> <p>Dennis J. Herrera City Attorney</p>	<p>Hallmark Aviation Services L.P. Company Name</p>
<p>By: </p> <p>Christopher Stuart Deputy City Attorney</p>	<p>0000019096 City Supplier Number</p> <p>5757 W. Century Boulevard, Suite 860 Address</p>
	<p>Los Angeles, CA 90045 City, State, ZIP</p> <p>310-215-7213 Telephone Number</p> <p>95-4217627 Federal Employer ID Number</p>



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 20-0113

APPROVAL OF MODIFICATION NO. 3 TO PROFESSIONAL SERVICES CONTRACT NO. 50052 FOR AIRPORT INFORMATION AND GUEST ASSISTANCE SERVICES, WITH HALLMARK AVIATION SERVICES, L.P., TO REDUCE MANAGEMENT FEES AND TO EXERCISE THE SECOND OF THREE 2-YEAR EXTENSION OPTIONS IN AN AMOUNT NOT TO EXCEED \$13,758,746 FOR A NEW TOTAL NOT-TO-EXCEED CONTRACT AMOUNT OF \$41,111,970

- WHEREAS, the Airport consolidated three important services into one management contract to provide maximum efficiency and exceptional guest services: the Information Desk Program, Guest Assistance in the Federal Inspection Services area, and Lost and Found; and
- WHEREAS, on March 15, 2016, by Resolution No. 16-003, the Commission authorized the Airport to commence a Request for Proposals process and negotiate with the highest ranked proposer; and
- WHEREAS, on October 18, 2016, by Resolution No. 16-0265, the Commission awarded Professional Services Contract No. 50052 for Airport Information and Guest Assistance Services to Hallmark Aviation Services, L.P., for a total not-to-exceed Contract amount of \$11,550,000, and three 2-year extension options exercisable at the sole discretion of the Commission; and
- WHEREAS, on April 3, 2018, by Resolution No. 18-0096, the Commission approved Modification No. 1 to the Contract to exercise the first of three 2-year options to extend the term through June 30, 2020, increase the total Contract not-to-exceed amount of \$27,353,224, and modify the Scope of Work and Calculation of Charges; and
- WHEREAS, on July 1, 2019, the Airport Director administratively approved Modification No. 2 to the Contract to increase the labor rate to the new Quality Standards Program rate; and
- WHEREAS, the Guest Assistance in Federal Inspection Services area and the Information Desk Program operated by Hallmark Aviation Services, L.P. serve a combined number of 8 million guests annually; now, therefore, be it
- RESOLVED, that this Commission hereby approves Modification No. 3 for Professional Services Contract No. 50052 for Airport Information and Guest Assistance Services, with Hallmark Aviation Services, L.P., to reduce management fees and to exercise the second of three 2-year options in an amount not to exceed \$13,758,746, for a new total not-to-exceed Contract amount of \$41,111,970; and, be it further
- RESOLVED, that the Commission Secretary is hereby directed to request Board of Supervisors approval of Modification No. 3 to Professional Services Contract No. 50052 pursuant to San Francisco Charter Section 9.118(b).

*I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of*

~~_____~~ JUN 16 2020


Secretary



MEMORANDUM

June 16, 2020

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Eleanor Johns, Vice President
Hon. Richard J. Guggenhime
Hon. Everett A. Hewlett, Jr.
Hon. Malcolm Yeung

20-0113

~~Stamp~~ JUN 16 2020

FROM: Airport Director

SUBJECT: Approval of Modification No. 3 to Professional Services Contract No. 50052 for Airport Information and Guest Assistance Services with Hallmark Aviation Services, L.P.

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 3 FOR PROFESSIONAL SERVICES CONTRACT NO. 50052, FOR AIRPORT INFORMATION AND GUEST ASSISTANCE SERVICES, WITH HALLMARK AVIATION SERVICES, L.P., TO REDUCE MANAGEMENT FEES AND TO EXERCISE THE SECOND OF THREE 2-YEAR OPTIONS, IN AN AMOUNT NOT TO EXCEED \$13,758,746 FOR A NEW TOTAL NOT-TO-EXCEED CONTRACT AMOUNT OF \$41,111,970.

Executive Summary

Commission approval is requested for Modification No. 3 for Professional Services Contract No. 50052 for Airport Information and Guest Assistance Services with Hallmark Aviation Services, L.P., to reduce management fees and to exercise the second of three 2-year options in an amount not to exceed \$13,758,746, for a new total not-to-exceed Contract amount of \$41,111,970.

In light of the COVID-19 crisis and its impact on Airport finances, Staff has considered the financial implications of the proposed contract modification and has determined that the services are necessary for the continued safe and secure Airport operations. The proposed Contract accounts for appropriate fee reductions to assure the financial feasibility of the procurement of the services specified in the Contract.

Background

The Airport consolidated three services into one management contract to provide for maximum efficiency and exceptional guest services. The three services are the Information Desk Program, Guest Assistance in the Federal Inspection Services area, and Lost and Found.

On March 15, 2016, by Resolution No. 16-0083, the Commission authorized the Airport to commence a Request for Proposals process and negotiate with the highest ranked proposer. Hallmark Aviation Services, L.P. was the highest ranked proposer.

THIS PRINT COVERS CALENDAR ITEM NO. 11

On October 19, 2016, by Resolution No. 16-0265, the Commission awarded Professional Services Contract No. 50052 for Airport Information and Guest Assistance Services to Hallmark Aviation Services, L.P. for a total not-to-exceed Contract amount of \$11,550,000, and three 2-year extension options exercisable at the sole discretion of the Commission.

On April 3, 2018, by Resolution No. 18-0096, the Commission approved Modification No. 1 to the Contract to exercise the first of three 2-year options to extend the term through June 30, 2020, increase the total Contract not-to-exceed amount of \$27,353,224, and modify the Scope of Work and Calculation of Charges.

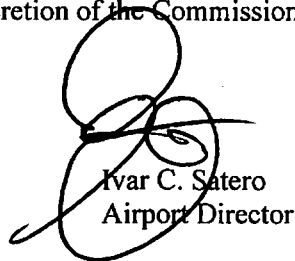
On July 1, 2019, the Airport Director administratively approved Modification No. 2 to the Contract to increase the labor rate to the new Quality Standards Program (QSP) rate.

Under the QSP, the minimum hourly rates for covered employees will increase effective July 1, 2020. In addition, due to the financial impacts of the COVID-19 pandemic, the Airport requested that all service contractors reduce management fees by at least 5%. This modification will exercise the second of three 2-year options in an amount not-to-exceed \$13,758,746, for a new total not-to-exceed Contract amount of \$41,111,970, increase the labor rate for the new QSP rate, and reduce the management fees by the requested amount.

The Guest Assistance in Federal Inspection Services area serves 6.5 million guests annually in providing passenger customer service and queue management. The Information Desk Program serves more than 1.5 million guests annually in providing information regarding Airport services and amenities, transportation options, wayfinding assistance, and Bay Area visitor attractions and events.

Recommendation

I recommend the Commission approve Modification No. 3 for Professional Services Contract No. 50052 for Airport Information and Guest Assistance Services, with Hallmark Aviation Services, L.P., to reduce management fees and to exercise the second of three 2-year options in an amount not to exceed \$13,758,746, exercisable at the sole discretion of the Commission, for a new total not-to-exceed Contract amount of \$41,111,970.



Ivar C. Satero
Airport Director

Prepared by: Jeff Littlefield
Chief Operating Officer

Attachment


AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 18-0096

MODIFICATION NO. 1 TO CONTRACT NO. 50052 FOR AIRPORT INFORMATION AND GUEST ASSISTANCE SERVICES WITH HALLMARK AVIATION SERVICES, L.P. TO EXERCISE THE FIRST OF THREE (3) TWO-YEAR EXTENSION OPTIONS, INCREASE THE NOT TO EXCEED AMOUNT, AND REVISE THE SCOPE OF SERVICES AND CALCULATION OF CHARGES

- WHEREAS, the Airport consolidated three important services into one management contract to provide maximum efficiency and exceptional services. These three services are the Information Desk Program, Guest Assistance in the Federal Inspection Services Area, and Lost and Found; and
- WHEREAS, on March 15, 2016, by Resolution No. 16-0083, the Commission authorized the Airport to commence a Request for Proposals process and negotiate with the highest ranked proposer; and
- WHEREAS, on October 18, 2016, by Resolution No. 16-0265, the Commission awarded Contract No. 50052 for Airport Information and Guest Assistance Services to Hallmark Aviation Services, L.P., for a total not to exceed contract amount of \$11,550,000, with three (3) two-year extension options exercisable at the sole discretion of the Commission; and
- WHEREAS, the Guest Assistance in Federal Inspection Services Area and the Information Desk Program serve a combined number of 8 million guests annually; and
- WHEREAS, Hallmark Aviation Services, L.P. has provided services in these areas; now, therefore, be it
- RESOLVED, that this Commission hereby approves Modification No. 1 to Contract No. 50052 for Airport Information and Guest Assistance Services with Hallmark Aviation Services, L.P., to exercise the first of three (3) two-year options in an amount not to exceed \$15,803,224, for a new total not to exceed contract amount of \$27,353,224, and to revise the Scope of Services and Calculation of Charges; and, be it further
- RESOLVED, that this Commission hereby directs the Commission Secretary to forward Contract No. 50052 to the Board of Supervisors for approval pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

*I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of _____*

APR 03 2018


Secretary



MEMORANDUM

April 3, 2018

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenlime
Hon. Peter A. Stern

FROM: Airport Director

SUBJECT: Modification No. 1 to Contract No. 50052 for Airport Information and Guest Assistance Services with Hallmark Aviation Services, L.P.

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 1 TO CONTRACT NO. 50052 FOR AIRPORT INFORMATION AND GUEST ASSISTANCE SERVICES WITH HALLMARK AVIATION SERVICES, L.P., TO EXERCISE THE FIRST OF THREE (3) TWO-YEAR OPTIONS IN AN AMOUNT NOT TO EXCEED \$15,803,224, FOR A NEW TOTAL NOT TO EXCEED CONTRACT AMOUNT OF \$27,353,224, AND TO REVISE THE SCOPE OF SERVICES AND CALCULATION OF CHARGES.

Executive Summary

Commission approval is requested for Modification No. 1 to Contract No. 50052 for Airport Information and Guest Assistance Services with Hallmark Aviation Services, L.P., to exercise the first of three (3) two-year options in an amount not to exceed \$15,803,224, for a new total not to exceed contract amount of \$27,353,224, and to revise the Scope of Services and Calculation of Charges.

Background

The Airport consolidated three services into one management contract to provide for maximum efficiency and exceptional guest services. The three services are the Information Desk Program, Guest Assistance in the Federal Inspection Services Area, and Lost and Found.

On March 15, 2016, by Resolution No. 16-0083, the Commission authorized the Airport to commence a Request for Proposals process and negotiate with the highest ranked proposer. Hallmark Aviation Services, L.P. was the highest ranked proposer.

On October 18, 2016, by Resolution No. 16-0265, the Commission awarded Contract No. 50052 for Airport Information and Guest Assistance Services to Hallmark Aviation Services, L.P. for a total not to exceed contract amount of \$11,550,000, with three (3) two-year extension options exercisable at the sole discretion of the Commission.

THIS PRINT COVERS CALENDAR ITEM NO. 7

Hallmark Aviation Services, L.P. has provided services at Federal Inspection Services Area and Arrivals Information Desks. The Guest Assistance in the Federal Inspection Services Area serves 6.5 million guests annually in providing passenger customer service and queue management. The Information Desk Program serves more than 1.5 million guests annually in providing information regarding airport services and amenities, transportation options, wayfinding assistance, and Bay Area visitor attractions and events. A 24-hour Lost and Found will be operational by July 1, 2018.

This modification includes an improved and expanded methodology for evaluating the Contractor's performance by placing additional emphasis on staffing, reporting, and service quality assurance. The Scope of Work has been updated to include new duties related to escorting customers requiring further screening to the secondary inspection areas and additional budget to provide those services and maintain high levels of satisfaction as international arriving passenger numbers are expected to increase 6% in FY18/19 and 3% in FY19/20.

Recommendation

I recommend that the Commission approve Modification No. 1 to Contract No. 50052 for Airport Information and Guest Assistance Services with Hallmark Aviation Services, L.P., to exercise the first of three (3) two-year options in an amount not to exceed \$15,803,224, exercisable at the sole discretion of the Commission for a new total not to exceed contract amount of \$27,353,224, and to revise the Scope of Services and Calculation of Charges.



Ivar C. Satero
Airport Director

Prepared by: Jeff Littlefield
Chief Operating Officer

Attachment



San Francisco International Airport
June 19, 2020

Ms. Angela Calvillo
Clerk of the Board
Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689

Subject: Approval of Modification No. 3 to Professional Services Agreement Contract No. 50052, for Airport Information and Guest Assistance Services with Hallmark Aviation Services, L.P. and the City and County of San Francisco acting by and through its Airport Commission

Dear Ms. Calvillo:

Pursuant to Section 9.118 of the City Charter, I am forwarding for Board of Supervisors' approval of Modification No. 1 to the Professional Services Contract No. 50052, for Airport Information and Guest Assistance Services, between Hallmark Aviation Services, L.P. and the City and County of San Francisco, acting by and through its Airport Commission, to exercise the second of three (3) two-year extensions in an amount not-to-exceed \$13,758,746, for a new not to exceed contract amount of \$41,111,970. The Airport Commission has approved the terms of the contract by adopting Resolution No. 20-0113 on June 16, 2020.

The following is a list of accompanying documents:

- Board of Supervisors Resolution; and
- Approved Airport Commission Resolution No. 20-0113 and Memorandum to the Airport Commission recommending Resolution No. 20-0113; and
- Approved Airport Commission Resolution No. 18-0096 and Memorandum to the Airport Commission recommending Resolution No. 18-0096; and
- Form SFEC Form 126f4BOS for the Board of Supervisors; and
- Copy of original Agreement No. 50052; and
- Copy of Modification No. 1 to Agreement No. 50052; and
- Copy of Modification No. 2 to Agreement No. 50052; and
- Copy of Modification No. 3 to Agreement No. 50052, executed by Hallmark Aviation Services, L.P.

Please contact Cathy Widener, Airport Government Affairs at 650-821-5023 if you have any questions or concerns regarding this matter.

Very truly yours,

Corina Monzón /s/

Corina Monzón
Commission Secretary

Enclosures

cc: Cathy Widener, Governmental Affairs

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

LONDON N. BREED
MAYOR

LARRY MAZZOLA
PRESIDENT

ELEANOR JOHNS
VICE PRESIDENT

RICHARD J. GUGGENHIME

EVERETT A. HEWLETT, JR.

MALCOLM YEUNG

IVAR C. SATERO
AIRPORT DIRECTOR



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 200668

Bid/RFP #: 50052

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
office of the clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Cathy widener	650-821-5023
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
AIR Airport Commission	cathy.widener@flsfo.com

5. CONTRACTOR	
NAME OF CONTRACTOR Hallmark Aviation Service, L.P.	TELEPHONE NUMBER 310-215-7213
STREET ADDRESS (including City, State and Zip Code) 5757 West Century Blvd., Ste 860, LA, CA 90045	EMAIL

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER 50052	FILE NUMBER (If applicable) 200668
DESCRIPTION OF AMOUNT OF CONTRACT \$41,111,970		
NATURE OF THE CONTRACT (Please describe) The three services include the Airport's Information Desk Program, guest service and queue management at the Airport's Automated Passport Control Kiosks in the Federal Inspection Area, and Airport Lost and Found Services.		

7. COMMENTS
Original Ct. NTE \$11,550,000 Mod 1 NTE\$27,353,224 Mod 2 no change in costs Mod 3 NTE \$13,758,746

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Mena/Hallmark/Contractor	Frank	Board of Directors
2	Oakley/Hallmark/Contractor	Dawn	Board of Directors
3	Hargett/Hallmark/Contracto	Michael	Board of Directors
4	Thompson/Hallmark/Contract	Stephen	Board of Directors
5	Williams/Hallmark/Contract	Michael	Board of Directors
6	Huber/Hallmark/Contractor	Philipp	CEO
7	Chappell/Hallmark/Contract	Jim	COO
8	Abulazm/Polaris/Subcontrac	Heba	Subcontractor
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			

Check this box if you need to include additional names. Please submit a separate form with complete information. Select “Supplemental” for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

<p>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</p> <p>BOS Clerk of the Board</p>	<p>DATE SIGNED</p>
---	---------------------------

From: [Dyanna Quizon \(AIR\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Cathy Widener \(AIR\)](#); [Corina Monzon \(AIR\)](#); [Carolyn Jayin \(AIR\)](#)
Subject: BOS Package - Hallmark Aviation Services, L.P. - Airport Agreement, Modification No. 3
Date: Friday, June 19, 2020 9:38:35 AM
Attachments: [image001.png](#)
[Res 18-0096 Mod 1 50052 Hallmark Aviation Services.pdf](#)
[Memo 18-0096 Mod 1 50052 Hallmark Aviation Services.pdf](#)
[50052 Hallmark Aviation Original Fully Executed Contract 010117.pdf](#)
[_Mod 1 \(fully executed\).pdf](#)
[Mod 2 \(fully executed\).pdf](#)
[Hallmark Mod 3 \(signed by supplier only\).pdf](#)
[20-0113 APPROVE Mod 3 to PSC No. 50052 - Hallmark Aviation Services, LP.pdf](#)
[BOS - COVER LETTER Mod 3 Hallmark on letterhead.docx](#)
[RE BOS Package - Hallmark Aviation Services L.P. - Airport Agreement Modification No. 3.mso](#)
[BOS Reso Ct 50052 Hallmark Mod 3 rev 1.docx](#)

CITY AND COUNTY OF SAN FRANCISCO AIRPORT COMMISSION

BOARD OF SUPERVISORS LEGISLATION

To: BOS Legislation
Date: June 19, 2020

RE: Approval of Modification No. 3 to Hallmark Aviation Services, L.P. Airport Agreement.

Attached is proposed legislation concerning approval of Modification No. 3 to a Professional Services Agreement for Airport Information and Guest Assistance Services between Hallmark Aviation Services, L.P. and the City and County of San Francisco, acting by and through its Airport Commission.

The following is a list of accompanying documents:

- Board of Supervisors Resolution; and
- Approved Airport Commission Resolution No. 20-0113 and Memorandum to the Airport Commission recommending Resolution No. 20-0113; and
- Approved Airport Commission Resolution No. 18-0096 and Memorandum to the Airport Commission recommending Resolution No. 18-0096; and
- Form SFEC Form 126f4BOS for the Board of Supervisors; and
- Copy of original Agreement No. 50052; and
- Copy of Modification No. 1 to Agreement No. 50052; and
- Copy of Modification No. 2 to Agreement No. 50052; and
- Copy of Modification No. 3 to Agreement No. 50052, executed by Hallmark Aviation Services, L.P.

Please contact Cathy Widener at 650-821-5023 with any questions.



Dyanna Quizon (*preferred pronouns: she/her/hers*)

Manager | Government Affairs

San Francisco International Airport | P.O. Box 8097 | San Francisco, CA 94128

Tel 650-821-4005 | [flysfo.com](https://www.flysfo.com)