

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

Third Modification

THIS MODIFICATION (this “Modification”) is made as of **December 1, 2017**, in San Francisco, California, by and between **SFO Hotel Shuttle Bus Company** (“Contractor”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Airport Commission or the Commission’s designated agent, hereinafter referred to as “**Commission**.”

RECITALS

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

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

WHEREAS, on November 20, 2012 by Resolution No. 421-12, the Board of Supervisors approved Contract No. 9254 under San Francisco Charter Section 9.118 for the period of December 1, 2012 through June 30, 2016 plus three 2-year options in an amount not-to-exceed \$105,000,000; and

WHEREAS, on May 15, 2015, the Airport Director approved the Assignment and Assumption and First Modification which assigns services from SFO Shuttle Bus Company to SFO Hotel Shuttle, Inc. and to reimburse Contractor for bus cleaning services per month and reimburse Contractor for invoices during the period of December 2012 and April 2015;

WHEREAS, on March 15, 2016, by Resolution Number 16-0077, the Commission approved Modification No. 2 to Contract No. 9254 with SFO Hotel Shuttle, Inc. to provide shuttle bus service at San Francisco International Airport, exercising the first of three (3) two-year options commencing July 1, 2016 through June 30, 2018, in an amount not to exceed \$23,871,617 for the option period, for a new total contract amount not to exceed \$62,871,627;

WHEREAS, City and Contractor desire to modify the agreement on the terms and conditions set forth herein to adjust the scope of work to include remote gate operations, provide airfield shuttle bus service for air passengers, increase the contract amount by \$1,410,000, for a new not-to-exceed amount of \$64,281,617 and update standard clauses;

WHEREAS, the Commission approved this Third Modification pursuant to Resolution Number 17-0063 on March 21, 2017.

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

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

a. Agreement. The term “Agreement” shall mean the Agreement dated October 9, 2012 between Contractor and City, as amended by the Assignment and Assumption and First Modification, dated May 15, 2015 and the Second Modification, dated July 1, 2016

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

2. Section 64. Federal Non-Discrimination Provisions is hereby replaced in its entirety with new **Section 64. Labor Peace/ Card Check Rule** to read as follows:

64. 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.

3. New Section 70. Airport Commission Rules and Regulations is hereby added to read as follows:

70. 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>.

4. New Section 71. Federal Fair Labor Standards Act is hereby added to read as follows:

71. Federal Fair Labor Standards Act. This Agreement incorporates by reference the provisions of 29 CFR §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.

5. New Section 72. Occupational Safety and Health Act of 1970 is hereby added to read as follows:

72. 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.

6. **New Section 73. Federal Nondiscrimination Requirements** is hereby added to read as follows:

73. 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:

73.1 **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.

73.2 **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.

73.3 **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.

73.4 **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.

73.5 **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:

(a) Withholding payments to the contractor under the contract until the contractor complies; and/or

(b) Cancelling, terminating, or suspending a contract, in whole or in part.

73.6 Incorporation of Provisions. Contractor will include the provisions of paragraphs 73.1 through 73.6 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.

73.7 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 parts 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).

7. **Section 5. Compensation** is hereby amended to increase the total compensation payable by an amount of \$1,410,000, for a new not-to-exceed amount of \$ 64,281,617.

8. **Appendix A, Services to be Provided by Contractor – New Section II.3.H. Remote Gate Operations** is hereby added to read as follows:

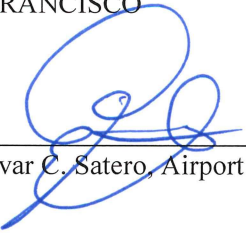
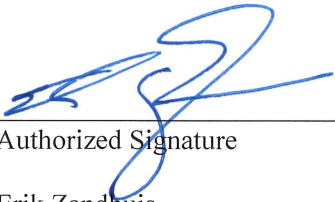
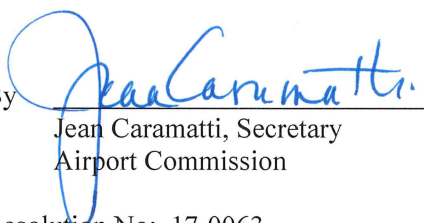
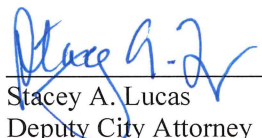
H. Remote Gate Operations

In order to accommodate gate shortages and mitigate delays in taxiing and deplaning, Contractor shall transport air passengers to and from remote aircraft hard stands and terminals. Service for remote gate operations will be implemented on an as-needed basis at the Airport's discretion, depending on monthly flight schedules and delays.

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

10. **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 |
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| AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO | |
| By:  Ivar C. Satero, Airport Director |  Authorized Signature Erik Zandhuis Printed Name |
| Attest: By:  Jean Caramatti, Secretary Airport Commission | Vice President Title SFO Hotel Shuttle, Inc. Company Name |
| Resolution No: 17-0063 Adopted on: March, 21, 2017 Approved as to Form: | 88302 City Vendor Number 54 Tanforan Avenue Address South San Francisco, CA 94080 City, State, ZIP |
| Dennis J. Herrera City Attorney By:  Stacey A. Lucas Deputy City Attorney | (415) 915-9777 Telephone Number 68-0494097 Federal Employer ID Number |