

File No. 210526

Committee Item No. 8

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: June 3, 2021

Board of Supervisors Meeting:

Date: \_\_\_\_\_

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#### OTHER

- Airport Commission Resolution Nos. 21-0105 and 19-0099
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Prepared by: John Carroll

Date: May 28, 2021

Prepared by: John Carroll

Date: \_\_\_\_\_

Prepared by: John Carroll

Date: \_\_\_\_\_

1 [Airport Professional Services Agreement Modification - TK Elevator Corporation - Elevator  
2 Maintenance Services - Not to Exceed \$22,282,912]

3 **Resolution approving Modification No. 2 to Airport Contract No. 50204, Elevator**  
4 **Maintenance, Repair, and On-Call Services, with TK Elevator Corporation, to**  
5 **increase the contract amount by \$12,600,000 for a new not to exceed contract**  
6 **amount of \$22,282,912 and to extend the contract term by three years to a new**  
7 **contract end date of June 30, 2024, pursuant to Charter, Section 9.118(b), to**  
8 **commence following Board approval.**

9

10 WHEREAS, On May 7, 2019, by Resolution No. 19-0099, the Airport Commission  
11 awarded Professional Services Contract No. 50204 (the "Agreement") to thyssenkrupp  
12 Elevator Corporation to provide maintenance, repair, and on-call service for the Airport's  
13 approximately 184 elevators for a two-year period beginning July 1, 2019, through  
14 June 30, 2021, in an amount not to exceed \$9,682,912; and

15 WHEREAS, On July 1, 2020, the Airport Director approved Modification No. 1 to the  
16 Agreement to reduce unit prices for preventative maintenance, adjust the preventative  
17 maintenance schedule, and update standard contractual terms, with no change to the total  
18 contract amount; and

19 WHEREAS, Effective February 25, 2021, thyssenkrupp Elevator changed its name  
20 to TK Elevator Corporation; and

21 WHEREAS, On May 4, 2021, by Resolution No. 21-0105 the Airport Commission  
22 approved Modification No. 2 to the Agreement to extend the contract duration by three  
23 years to a new contract end date of June 30, 2024, and to increase the contract amount by  
24 \$12,600,000 for a new contract amount not to exceed \$22,282,912; and

25

1           WHEREAS, TK Elevator Corporation has satisfactorily provided all aspects of the  
2 maintenance and repair of Airport elevators; and

3           WHEREAS, Charter, Section 9.118(b), provides that agreements entered into by a  
4 department, board, or commission requiring anticipated expenditures by the City and  
5 County of ten million dollars or more, shall be subject to approval by the Board of  
6 Supervisors by Resolution; and

7           WHEREAS, The original Agreement and Modification No. 1 are on file with the Clerk  
8 of the Board of Supervisors in File No. 210526, which is hereby declared to be a part of this  
9 Resolution as set forth fully herein; now, therefore, be it

10           RESOLVED, That this Board hereby approves Modification No. 2 to Contract  
11 No. 50204, Elevator Maintenance, Repair, and On-Call Services with TK Elevator  
12 Corporation to extend the contract duration by three years to a new contract end date of  
13 June 30, 2024, and to increase the contract amount by \$12,600,000 for a new not to  
14 exceed contract amount of \$22,282,912; and, be it

15           FURTHER RESOLVED, That within 30 days of Modification No. 2 being fully  
16 executed by all parties, the Airport Commission shall provide it to the Clerk of the Board for  
17 inclusion in the official file.

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**CITY AND COUNTY OF SAN FRANCISCO**

**BOARD OF SUPERVISORS**

**BUDGET AND LEGISLATIVE ANALYST**

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292  
FAX (415) 252-0461

May 28, 2021

**TO:** Government Audit and Oversight Committee

**FROM:** Budget and Legislative Analyst



**SUBJECT:** June 3, 2021 Government Audit and Oversight Committee Meeting

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<p><b>Item 8</b> <b>File 21-0526</b></p>	<p><b>Department:</b> San Francisco International Airport</p>
<p><b>EXECUTIVE SUMMARY</b></p>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>• The proposed resolution approves a second modification to the agreement between the Airport and TK Elevator (formerly ThyssenKrupp) for preventive maintenance, repair, and as-needed services for the Airport elevator, extending the agreement term by three years with the new ending date set at June 30, 2024, and increasing the not-to-exceed contract amount by \$12,600,000, from \$9,286,912 to \$22,282,912.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• The Airport entered into the original contract with ThyssenKrupp (now TK Elevator) in May 2019 for preventive maintenance, repair, and as-needed services for Airport elevators following a Request for Proposals process. In July 2020, the Airport administratively modified the agreement with ThyssenKrupp to reduce unit prices for preventive maintenance by five percent and reduce the work week from seven to five days, reflecting the Airport’s revenue decline following the outbreak of the Covid pandemic. The proposed second modification reduces for the per unit price for preventive maintenance by an additional 12 percent.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• Of the \$12.6 million contract increase, the allowance for as-needed services is increased by \$600,000 from \$250,000 to \$850,000. The balance of \$12 million will pay for preventive maintenance over the three-year extended term.</li> <li>• Since the beginning of the original contract in 2019, the Airport has negotiated reductions in the per unit cost of preventive maintenance, totaling 17 percent. As a result, the Airport will realize annual cost savings during the three-year extension of \$773,312.</li> </ul> <p style="text-align: center;"><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>• Approve the proposed resolution.</li> </ul>	

## 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

On May 7, 2019 the Airport Commission awarded an agreement to ThyssenKrupp Elevator Corporation (ThyssenKrupp) for preventive maintenance, repair, and as-needed services for Airport elevators, following a competitive Request for Proposals (RFP). The agreement is for a two-year term from July 1, 2019 through June 30, 2021, in an amount not to exceed \$9,682,912. The RFP for the Contract allows for a single three-year option to extend the term.

### *Modification no. 1*

On July 1, 2020, the Airport administratively modified the agreement with ThyssenKrupp to reduce unit prices for preventive maintenance by five percent. ThyssenKrupp and the Airport also agreed to reduce the work week from seven to five days, reflecting the Airport's revenue decline following the outbreak of the Covid pandemic. In addition, certain standard contract provisions were updated to meet current City requirements. There was no change in the total not-to-exceed amount, and no change in the term of the agreement.

## DETAILS OF PROPOSED LEGISLATION

The proposed resolution approves a second modification to the agreement between the Airport and TK Elevator (formerly ThyssenKrupp) for preventive maintenance, repair, and as-needed services for the Airport elevator. The proposed second modification extends the agreement term by three years with the new ending date set at June 30, 2024, and increases the not-to-exceed contract amount by \$12,600,000, from \$9,286,912 to \$22,282,912. TK Elevator and the Airport have agreed to a 12 percent reduction in unit prices for preventive maintenance, and an increase in the allowance for as-needed services of \$600,000, for a new total not-to-exceed Allowance of \$850,000.

## FISCAL IMPACT

As seen in Exhibit 1, the average annual expenditures over the proposed three-year term extension are \$641,456 less than the average annual expenditures

**Exhibit 1: Change in Total Contract Amount and Average Annual Contract Expenditures**

	Preventive Maintenance	As-Needed	Total
<b>Contract Amount</b>			
<i>Initial Two-Year Term</i> <sup>a</sup>			
Original Contract	\$9,432,912	\$250,000	\$9,682,912
<i>Three-Year Extension</i> <sup>b</sup>			
Mod. 2 (proposed)	\$12,000,000	\$600,000	\$12,600,000
<b>Average Annual Expenditures</b>			
Original <sup>a</sup>	\$4,716,456	\$125,000	\$4,841,456
Mod. 2 (proposed) <sup>b</sup>	<u>\$4,000,000</u>	<u>\$200,000</u>	<u>\$4,200,000</u>
Net	(\$716,456)	\$75,000	(\$641,456)

Source: Airport

<sup>a</sup> Annualized cost for July 1, 2019 through June 30, 2021<sup>b</sup> Annualized cost for July 1, 2021 –through June 30, 2024

Exhibit 2 shows the effect of the five percent and the proposed twelve percent reductions in per unit service prices that have been negotiated between the Airport and TK Corporation. This equals when estimated on a per unit basis, average annual expenditures for preventive maintenance of \$3,943,812, an expenditure savings of \$773,312 compared to average annual expenditures under the original agreement.<sup>1</sup>

**Exhibit 2: Change in Per Unit Maintenance Price**

	Price per Elevator per Month Cost per Unit			Units	Average Annual Maintenance Expenditures Cost per Year		
	Initial	Mod 1	Mod 2		Initial	Mod 2	Savings
<b>Hydraulic</b>							
1990 or Earlier (≤ 4000 lbs.)	\$1,685	\$1,601	\$1,409	3	\$60,669	\$50,724	\$9,945
1990 or Earlier (> 4000 lbs.)	\$1,645	\$1,563	\$1,375	5	\$98,716	\$82,500	\$16,216
1991 to 2014 (≤ 4000 lbs.)	\$1,605	\$1,525	\$1,342	49	\$943,895	\$789,096	\$154,799
1991 to 2014 (> 4000 lbs.)	\$1,565	\$1,487	\$1,309	4	\$75,133	\$62,832	\$12,301
2015 or Later (≤ 4000 lbs.)	\$1,557	\$1,479	\$1,302	6	\$112,093	\$93,744	\$18,349
<b>Traction</b>							
1990 or Earlier (≤ 4000 lbs.)	\$1,685	\$1,601	\$1,409	32	\$647,141	\$541,056	\$106,085
1990 or Earlier (> 4000 lbs.)	\$1,645	\$1,563	\$1,375	1	\$19,743	\$16,500	\$3,243
1991 to 2014 (≤ 4000 lbs.)	\$1,605	\$1,525	\$1,342	54	\$1,040,211	\$869,616	\$170,595
1991 to 2014 (> 4000 lbs.)	\$1,565	\$1,487	\$1,309	33	\$619,844	\$518,364	\$101,480
2015 or Later (≤ 4000 lbs.)	\$1,557	\$1,479	\$1,302	30	\$560,463	\$468,720	\$91,743
2015 or Later (> 4000 lbs.)	\$1,549	\$1,472	\$1,295	29	\$539,217	\$450,660	\$88,557
<b>Total Price per Year</b>					<b>\$4,717,124</b>	<b>\$3,943,812</b>	<b>\$773,312</b>

Source: Airport

<sup>1</sup> Average annual preventive maintenance expenditures of \$4,000,000, shown in Exhibit 1, are based on the contract budget for preventive maintenance; and average annual preventive maintenance expenditures of \$3,956,636, shown in Exhibit 2, are based on per unit price. The difference of \$56,188 represents a cushion built into the maintenance agreement that will allow the Airport to bring new elevator units into service and absorb the additional ongoing maintenance expense.



Preventive maintenance is funded out of the Airport's operating budget; unspent funds are returned to the Airport's fund balance and are available for re-appropriation in the subsequent fiscal year. The Airport issues a new purchase order to encumber funds appropriated for preventive maintenance in the subsequent fiscal year. Major overhaul and system repair is primarily funded through the Airport capital budget, so that once authorized, any unspent funds automatically carryover into the next fiscal year.

**RECOMMENDATION**

Approve the proposed resolution

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

**Modification No. 2**

This Modification is made this 4<sup>th</sup> day of May, 2021, in the City and County of San Francisco, State of California, by and between: TK Elevator Corporation (the “Contractor”), formerly thyssenkrupp Elevator Corporation, and the City and County of San Francisco, a municipal corporation (the “City”), acting by and through its Airport Commission (the “Commission”).

**Recitals**

- A. City and Contractor have entered into the Agreement for the San Francisco International Airport (the “Airport” or “SFO”) (as defined below); and,
- B. The Commission is authorized to enter into all contracts which relate to matters under its jurisdiction; and
- C. On May 7, 2019, by Resolution No. 19-0099, the Commission awarded this Agreement to thyssenkrupp Elevator Corporation for a two-year term from July 1, 2019 through June 30, 2021, in an amount not to exceed \$9,682,912; and
- D. On July 1, 2020, City and thyssenkrupp Elevator Corporation administratively modified the Agreement through Modification No. 1 to reduce unit prices for preventative maintenance by five percent due to the COVID-19 pandemic, and adjust the preventative maintenance schedule; and
- E. On February 25, 2021, thyssenkrupp Elevator Corporation changed its name from “thyssenkrupp Elevator Corporation” to “TK Elevator Corporation” with no change to its business structure; and
- F. City and Contractor now desire to modify the Agreement to acknowledge the change in Contractor’s name, extend the contract duration by three years for a new contract end date of June 30, 2024, to increase the contract amount by \$12,600,000 for a new not-to-exceed amount of \$22,282,912, to reduce hourly unit prices for preventative maintenance by twelve percent, and to update the terms and conditions; and
- G. On \_\_\_\_\_, by Resolution No. \_\_\_\_\_ the Commission approved Modification No. 2 to extend the contract duration by three years for a new contract end date of June 30, 2024 and increase the contract amount by \$12,600,000 for a new not-to-exceed amount of \$22,282,912 and
- H. On \_\_\_\_\_, by Resolution No. \_\_\_\_\_, the Board of Supervisors approved the Agreement, as defined below, under San Francisco Charter Section 9.118; and
- I. Approval for this Agreement was obtained when the Civil Service Commission approved PSC No. 47246-18/19 on April 15, 2019; and

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

- 1. **Article 1. Definitions, 1.1 Agreement** is replaced as follows:

1.1 “Agreement” or “Contract Document” means the contract document dated May 7, 2019 and Modification No. 1 dated July 1, 2020, including all attached appendices, and all applicable City ordinances and “Mandatory City Requirements” which are specifically incorporated by reference into this Agreement.

2. **Article 3. Compensation, Section 3.3.1 Payment** is hereby amended to increase the total not-to-exceed compensation payable by Twelve Million Six Hundred Thousand Dollars (\$12,600,000) for a new total not-to-exceed amount of Twenty-Two Million Two Hundred Eighty-Two Thousand Nine Hundred Twelve Dollars (\$22,282,912).

3. **Section 12.7 Quality Standards Program** is replaced as follows in the Agreement. This provision was included in the original Agreement in error. The modified provision will read as follows:

**12.7 Quality Standards Program – Not applicable.**

4. **Appendix B, A. Preventative Maintenance Service** is hereby amended. The table of unit prices has been replaced with the following, which reflects a twelve percent reduction of the monthly prices for preventative maintenance of elevators:

Description	Price per Elevator per Month
Monthly Services for Hydraulic Elevators Built 1990 or Earlier and Less than or Equal to 4000lbs Capacity	\$1,409
Monthly Services for Hydraulic Elevators Built 1990 or Earlier and Less than or Equal to 4000lbs Capacity	\$1,375
Monthly Service for Hydraulic Elevators Built 1991 to 2014 and Less than or Equal to 4000lbs Capacity	\$1,342
Monthly Service for Hydraulic Elevators Built 1991 to 2014 and Greater than 4000lbs Capacity	\$1,309
Monthly Service for Hydraulic Elevators Built 2015 or Later and Less than or Equal to 4000lbs Capacity	\$1,302
Monthly Service for Traction Elevators Built 1990 or Earlier and Less than or Equal to 4000lbs Capacity	\$1,409
Monthly Service for Traction Elevators Built 1990 or Earlier and Greater than 4000lbs Capacity	\$1,375
Monthly Service for Traction Elevators Built 1991 to 2014 and Less than or Equal to 4000lbs Capacity	\$1,342
Monthly Service for Traction Elevators Built 1991 to 2014 and Greater than 4000lbs Capacity	\$1,309
Monthly Service for Traction Elevators Built 2015 or Later and Less than or Equal to 4000lbs Capacity	\$1,302
Monthly Service for Traction Elevators Built 2015 or Later and Greater than 4000lbs Capacity	\$1,295

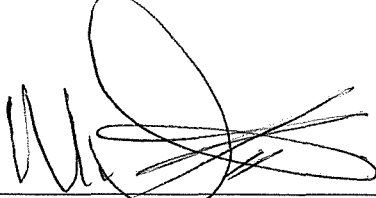
5. **Appendix B, B. As-Needed Services** is hereby amended to increase the total Allowance for As-Needed Services by \$600,000, for a new Allowance of \$850,000.

6. **Appendix B, Total Not-to-Exceed Price** is hereby removed, being duplicative of the total not-to-exceed contract amount in **Article 3. Compensation, Section 3.3.1 Payment**.

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

8. 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, the parties hereto have executed this Agreement on the day first mentioned above.

<b>CITY</b>	<b>CONTRACTOR</b>
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By: _____ Ivar C. Satero, Airport Director	Authorized Signature
Attest:	_____ MIK ANTONELLI Printed Name
By _____ Kantrice Ogletree, Secretary Airport Commission	_____ BRANCH MANAGER Title
Resolution No: _____	_____ TK Elevator Corporation Company Name
Adopted on: _____	_____ 0000003649 City Supplier Number
Approved as to Form:	_____ 292 Lawrence Avenue Address
Dennis J. Herrera City Attorney	_____ South San Francisco, CA 94080 City, State, ZIP
By _____ Daniel A. Edington Deputy City Attorney	_____ 415-241-4525 Telephone Number
	_____ 62-1211267 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  
thyssenkrupp Elevator Corporation**

**Contract No. 50204**

This Agreement is made this 7th day of May, 2019, in the City and County of San Francisco, State of California, by and between: thyssenkrupp Elevator Corporation, 292 Lawrence Avenue, South San Francisco, CA 94080 (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 for the specialized preventative maintenance, repair, and on-call services for all elevators at 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 January 31, 2019, 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 highest ranked, qualified proposer eligible for award; and

D. On May 7, 2019, by Resolution No. 19-0099, the Commission awarded this Agreement to the Contractor for a term of two years and an amount not to exceed \$9,682,912; and

F. Approval for this Agreement was obtained when the Civil Service Commission approved PSC No. 47246-18/19 on April 15, 2019; and

G. There is no Local Business Entity ("LBE") subcontracting participation requirement for this Agreement; 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" means thyssenkrupp Elevator Corporation, 292 Lawrence Avenue, South San Francisco, CA 94080.

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) July 1, 2019; or (ii) the Effective Date and expire after two (2) years, unless earlier terminated as otherwise provided in 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 Nine Million Six Hundred Eighty-Two Thousand, Nine Hundred and Twelve Dollars. 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. A portion of payment may be withheld until conclusion of the Agreement if agreed to both parties as retainage, described in Appendix B. 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 Withhold 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. Payment shall be made by City as specified in 3.3.6, or in such alternate manner as the Parties have mutually agreed upon in writing.

**3.3.5 LBE Payment and Utilization Tracking – Not applicable.**

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



(a) All City suppliers receiving new contracts, contract renewals, or contract extensions must sign up to receive electronic payments through 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](http://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.** The full text of San Francisco Administrative Code §6.80-6.83, including the enforcement and penalty provisions, is incorporated into this Agreement. Under San Francisco Administrative Code §6.80-6.83, any contractor, subcontractor, supplier, consultant or subconsultant who submits a false claim shall be liable to the City for the statutory penalties set forth in those sections. A contractor, subcontractor, supplier, consultant or subconsultant 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.

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

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

**3.6.2 Wage Rates.** The latest prevailing wage rates for private employment on public contracts as determined by the San Francisco Board of Supervisors and the Director of the California Department of Industrial Relations, as such prevailing wage rates may be changed during the term of this Agreement, are hereby incorporated as provisions of this Agreement. Copies of the prevailing wage rates as fixed and determined by the Board of Supervisors are available from the Office of Labor Standards and

Enforcement ("OLSE") and are also available on the Internet at <http://www.dir.ca.gov/DLSR/PWD>. Contractor agrees that it shall pay not less than the prevailing wage rates, as fixed and determined by the Board, to all workers employed by Contractor who perform Covered Services under this Agreement. Contractor further agrees as follows:

**3.6.3 Subcontract Requirements.** As required by Section 6.22(e)(5) of the Administrative Code, Contractor shall insert in every subcontract or other arrangement, which it may make for the performance of Covered Services under this Agreement, a provision that said subcontractor shall pay to all persons performing labor in connection with Covered Services under said subcontract or other arrangement not less than the highest general prevailing rate of wages as fixed and determined by the Board of Supervisors for such labor or services.

**3.6.4 Posted Notices.** As required by Section 1771.4 of the California Labor Code, Contractor shall post job site notices prescribed by the California Department of Industrial Relations ("DIR") at all job sites where Covered Services are to be performed.

**3.6.5 Payroll Records.** As required by Section 6.22(e)(6) of the Administrative Code and Section 1776 of the California Labor Code, Contractor shall keep or cause to be kept complete and accurate payroll records for all trade workers performing Covered Services. Such records shall include the name, address and social security number of each worker who provided Covered Services on the project, including apprentices, his or her classification, a general description of the services each worker performed each day, the rate of pay (including rates of contributions for, or costs assumed to provide fringe benefits), daily and weekly number of hours worked, deductions made and actual wages paid. Every subcontractor who shall undertake the performance of any part of Covered Services shall keep a like record of each person engaged in the execution of Covered Services under the subcontract. All such records shall at all times be available for inspection of and examination by the City and its authorized representatives and the DIR.

**3.6.6 Certified Payrolls.** Certified payrolls shall be prepared pursuant to Administrative Code Section 6.22(e)(6) and California Labor Code Section 1776 for the period involved for all employees, including those of subcontractors, who performed labor in connection with Covered Services. Contractor and each subcontractor performing Covered Services shall submit certified payrolls to the City and to the DIR electronically. Contractor shall submit payrolls to the City via the reporting system selected by the City. The DIR will specify how to submit certified payrolls to it. The City will provide basic training in the use of the reporting system at a scheduled training session. Contractor and all subcontractors that will perform Covered Services must attend the training session. Contractor and applicable subcontractors shall comply with electronic certified payroll requirements (including training) at no additional cost to the City.

**3.6.7 Compliance Monitoring.** Covered Services to be performed under this Agreement are subject to compliance monitoring and enforcement of prevailing wage requirements by the DIR and /or the OLSE. Contractor and any subcontractors performing Covered Services will cooperate fully with the DIR and/or the OLSE and other City employees and agents authorized to assist in the administration and enforcement of the prevailing wage requirements, and agrees to take the specific steps and actions as required by Section 6.22(e)(7) of the Administrative Code. Steps and actions include but are not limited to requirements that: (A) the Contractor will cooperate fully with the Labor Standards Enforcement Officer and other City employees and agents authorized to assist in the administration and enforcement of the Prevailing Wage requirements and other labor standards imposed on Public Works Contractor by the Charter and Chapter 6 of the San Francisco Administrative Code; (B) the Contractor agrees that the Labor Standards Enforcement Officer and his or her designees, in the performance of their duties, shall have the right to engage in random inspections of job sites and to have access to the employees of the Contractor, employee time sheets, inspection logs, payroll records and employee paychecks; (C) the contractor shall

maintain a sign-in and sign-out sheet showing which employees are present on the job site; (D) the Contractor shall prominently post at each job-site a sign informing employees that the project is subject to the City's Prevailing Wage requirements and that these requirements are enforced by the Labor Standards Enforcement Officer; and (E) that the Labor Standards Enforcement Officer may audit such records of the Contractor as he or she reasonably deems necessary to determine compliance with the Prevailing Wage and other labor standards imposed by the Charter and this Chapter on Public Works Contractors. Failure to comply with these requirements may result in penalties and forfeitures consistent with analogous provisions of the California Labor Code, including Section 1776(g), as amended from time to time.

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

### **3.7 Apprentices**

3.7.1 Contractor and its subcontractors of every tier that provide Covered Services (as defined in Section 3.6.1 above) under this Agreement shall, as a material term of the Agreement, comply with the requirements of the State Apprenticeship Program (as set forth in the California Labor Code, Division 3, Chapter 4 [commencing at Section 3070], and Section 1777.5 of the Labor Code) and Administrative Code Section 6.22(n). Contractor shall be solely responsible for securing compliance with Labor Code Section 1777.5 for all apprenticeable occupations.

3.7.2 Contractor shall include in all of its subcontracts the obligation for subcontractors to comply with the requirements of the State Apprenticeship Program.

3.7.3 Should Contractor fail to comply with the apprenticeship requirements of Labor Code section 1777.5, Contractor shall be subject to the penalties prescribed in Labor Code Section 1777.7. The interpretation and enforcement of Labor Code Section 1777.5 shall be in accordance with rules and procedures prescribed by the California Apprenticeship Council.

3.7.4 Contractor, if not signatory to a recognized apprenticeship training program under Labor Code, Chapter 4, shall provide to the City with all progress payment requests, starting with the second such request, satisfactory evidence that it has contributed to the appropriate apprenticeship fund(s). Contractor shall require its subcontractors who are not signatories to provide such evidence to the City as a condition precedent for qualifying for payment from the City.

3.7.5 Contractor shall comply with all requests by the City to provide proof that Contractor and all of its subcontractors at every tier providing Covered Services are in compliance with the State Apprenticeship Program, including proof that Contractor and all of its subcontractors at any tier providing Covered Services contributed to the appropriate apprenticeship fund(s).

## **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."

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.**

**4.3.1** 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.

**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.

## **Article 5 Insurance and Indemnity**

### **5.1 Insurance.**

**5.1.1 Required Coverages.** Without in any way limiting Contractor's liability pursuant to 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 \$5,000,000 each occurrence 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 \$2,000,000 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 coverage. 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 coverage 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 not in accordance 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 foregoing 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 supplier, 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.	10.10	Alcohol and Drug-Free Workplace
4.5	Assignment	10.13	Working with Minors
Article 5	Insurance and Indemnity	11.10	Compliance with Laws
Article 7	Payment of Taxes	13.1	Nondisclosure of Private, Proprietary or Confidential Information

(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	9.1	Ownership of Results
3.3.7(a)	Grant Funded Contracts - Disallowance	9.2	Works for Hire
3.4	Audit and Inspection of Records	11.6	Dispute Resolution Procedure
3.5	Submitting False Claims	11.7	Agreement Made in California; Venue
Article 5	Insurance and Indemnity	11.8	Construction
6.1	Liability of City	11.9	Entire Agreement
6.3	Liability for Incidental and Consequential Damages	11.10	Compliance with Laws
Article 7	Payment of Taxes	11.11	Severability
8.1.6	Payment Obligation	13.1	Nondisclosure of Private, Proprietary or Confidential Information

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 for the purposes of this agreement, 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 by reference into this Agreement. The full text of the San Francisco Municipal Code provisions incorporated by reference in this Article and elsewhere in the Agreement ("Mandatory City Requirements") are available at [http://www.amlegal.com/codes/client/san-francisco\\_ca/](http://www.amlegal.com/codes/client/san-francisco_ca/).

10.2 **Conflict of Interest.** By executing this Agreement, Contractor certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City's Charter; Article III, Chapter 2 of City's Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 *et seq.*), or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 *et seq.*), and further agrees promptly to notify 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 **Reserved.**

10.5 **Nondiscrimination Requirements**

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

10.5.2 **Nondiscrimination in the Provision of Employee Benefits.** San Francisco Administrative Code 12B.2. 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.

**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 Local Hiring Policy.** Contractor must comply with all of the provisions of the Local Hiring Policy, Chapter 82 of the San Francisco Administrative Code, that apply to this Agreement, and Contractor is subject to the enforcement and penalty provisions in Chapter 82.

**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 – Not applicable.**

**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.

10.18.1 Contractor shall comply with San Francisco Environment Code Chapter 8, which provides that except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, Contractor shall not provide any items to the City in performance of this contract which are tropical hardwoods, tropical hardwood wood products, virgin redwood or virgin redwood wood products. Contractor is subject to the penalty and enforcement provisions of Chapter 8.

**10.19 Preservative Treated Wood Products.** Contractor shall comply with the provisions of San Francisco Environment Code Chapter 13, which requires that each Contractor purchasing preservative-treated wood products on behalf of the City, shall only purchase such products from the list of alternatives adopted by the Department of the Environment under Section 1302 of Chapter 13, unless otherwise granted an exemption by the terms of that Chapter.

**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: **Timothy Hatfield, Manager**  
**Mechanical Maintenance**  
**San Francisco International Airport**  
**PO Box 8097**  
**San Francisco, CA 94128**  
**Timothy.Hatfield@flysfo.com**

To Contractor: **Kyle Bushon, SFIA Branch Manager**  
**thyssenkrupp Elevator Corporation**  
**292 Lawrence Avenue**  
**South San Francisco, CA 94080**  
**Kyle.Bushon@thyssenkrupp.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 **Reserved.**

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.

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 21.36, 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 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 March 8, 2019. 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 Requirements For Airport Contracts**

**12.1 Airport Commission Rules and Regulations.** Contractor agrees to comply with the Airport Commission's Rules and Regulations for the San Francisco International Airport as amended



from time to time. A copy of the current Rules and Regulations can be found at:  
<http://www.flysfo.com/about-sfo/the-organization/rules-and-regulations>.

**12.2 Airport Intellectual Property.** 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.

**12.3 Labor Peace / Card Check Rule.** Without limiting the generality of other provisions in this Agreement requiring Contractor to comply with all Airport Rules, 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.

**12.4 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.

**12.5 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.

**12.6 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:

**12.6.1 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.

**12.6.2 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.

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

**12.6.4 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.

**12.6.5 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.

**12.6.6 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.

**12.6.7 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.*).

12.7 **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.

## **Article 13      Data and Security**

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

13.1.1 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 only in accordance with the restrictions stated in Chapter 12M and in this Agreement and only as necessary in performing the Services. Contractor is subject to the enforcement and penalty provisions in Chapter 12M.

13.1.2 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.

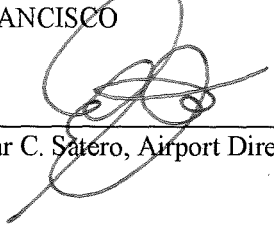

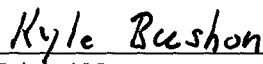


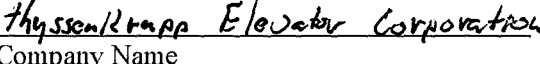

**13.2 Payment Card Industry ("PCI") Requirements – Not applicable.**

**13.3 Business Associate Agreement – Not applicable.**

#### **Article 14 MacBride And Signature**

**14.1 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.

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

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By:  Ivar C. Satero, Airport Director	 Authorized Signature
Attest:	 Printed Name
By  C. Corina Monzon, Secretary Airport Commission	 Title
Resolution No: <u>19-0094</u>	 Company Name <u>3649</u> <u>06675</u> City Supplier Number
Adopted on: <u>May 7, 2019</u>	<u>292 Lawrence Avenue</u> Address
Approved as to Form:	<u>South San Francisco, CA 94080</u> City, State, ZIP
Dennis J. Herrera City Attorney	<u>415-241-4525</u> Telephone Number
By  <del>Sheryl L. Bregman</del> <u>David A. Edington</u> Deputy City Attorney	<u>62-1211267</u> Federal Employer ID Number

**Appendices**

- A: Scope of Services
- B: Calculation of Charges
- C: Equipment List

## Appendix A Scope of Services

A. **General.** The Airport seeks a Contractor to provide a comprehensive set of services for the safe and reliable operation of all elevators at the Airport. Under the direction of the Airport's Facilities Mechanical Maintenance Department, Contractor shall provide, for all elevators at SFO, continual maintenance, inspection, testing, repair and/or replacement of all parts and components including hoist way rope replacement, emergency repair work, and all activities related to permitting, State inspections & certifications, and cleaning of elevator equipment, pits, and elevator machine rooms.

Appendix C, Equipment List, provides a list of all elevators covered by this Scope of Services. The Commission is continually renovating and changing its facilities; therefore, the list of elevators may be updated from time to time during the contract term to add elevators placed into service and remove elevators taken out of service. The cost of preventative maintenance will also be adjusted through a contract modification to reflect those updates.

1. **Security and Badging:** Contractor and its authorized representatives and employees shall be subject to the security requirements imposed by the Commission and the US Transportation Security Administration (TSA) security personnel. Contractor shall be responsible for all costs related to security checks and identification badges required for the Contractor's employees working on site at the Airport. **Only authorized and properly badged workers will be allowed to perform work on site at the Airport under this Contract.**
2. **Parts and Materials:** Contractor shall furnish, at its own expense, all tools, equipment, supplies, diagnostic devices, personnel, and equipment necessary to maintain and provide safe reliable operation throughout the entire term of the contract and in accordance with the latest adopted editions of ASME A17.1 – Safety Code for Elevators and Escalators, ASME A17.2 – Inspectors Guide for Elevators and Escalators, and ASME A17.3 – Safety Code for Existing Elevators and Escalators.
  - a. **Airport-Provided Parts and Materials:** Contractor shall provide all parts and materials (including lubricants and hydraulic oil) needed in the performance of this contract. Note that the Airport maintains an inventory of spare parts that may be used for this contract. Contractor may request that a spare part be released from the Airport's warehouse to Contractor's custody by submitting an Airport-provided materials request form to the Airport's contract manager. Contractor will be required to replenish the Airport's inventory in a timely manner by providing an identical or equivalent part to the Airport's warehouse within 30 days of the release of the part by the Airport. The Airport's contract manager may allow extensions to the 30 day return deadline, as appropriate. The Airport contract manager shall confirm that the part being provided by the Contractor is identical or equivalent to the part released by the Airport's warehouse, update the inventory list, and give the Contractor a receipt for the part. Failure of the Contractor to replenish a part taken from Airport inventory will result in the loss of the privilege to request future parts from the Airport's inventory.
3. **Operating Permits:** The Contractor shall be responsible for coordinating, preparing and submitting all elevator information, safety and inspection reports, and any other necessary reports to the State of California Department of Industrial Safety to obtain operating permits for all elevators. Copies of all testing and compliance reports submitted to the Department of Industrial Safety shall also be submitted to the Commission. The Contractor will also be responsible for the payment of all operating permit fees for the elevators.

4. **Regular Work Hours:** Contractor shall be prepared to provide service 24 hours per day, 7 days per week, 365 days per year. Regular work hours may be negotiated between the Contractor and the Airport, however planned preventative maintenance should be performed primarily between the hours of 11:00 pm and 7:00 a.m., Monday through Sunday.
5. **Service Requests.** Contractor shall repair broken equipment and correct unsafe conditions immediately upon discovering, or receiving notice, of the breakdown of equipment or the existence of an unsafe condition whether or not Contractor receives notice from Commission in the form of a Service Request. Service Requests may be communicated to Contractor in any manner agreed upon by both parties, but shall be documented in writing by the Commission and signed by the Contractor. Such documentation shall include the date and exact time Contractor received the Service Request, the location and issue reported to Contractor.

B. **Types of Service.** This Scope of Services consists of three basic types of services: 1) Preventative Maintenance for Traction Elevators, 2) Preventative Maintenance for Hydraulic Elevators, and 3) As-Needed Services.

Preventative Maintenance includes all services required to keep Airport elevators working for their intended purpose. Preventative Maintenance also include any repair or refurbishment work for Airport elevators as a result of standard operations and/or normal wear and tear. Preventative Maintenance shall be performed on a daily, monthly, quarterly, annual, or multi-annual basis, and payment shall be made on a predetermined monthly lump-sum basis.

#### 1. Preventative Maintenance for Traction Elevators.

Contractor shall perform all necessary preventative maintenance required for safe reliable operation as specified by the ASME standards and in conformance with the specifications included in the Manufacturer's System Operations Manuals, Maintenance Manuals, and Service Procedures for each elevator. At a minimum, Contractor shall perform the following preventative maintenance:

##### a. Weekly (to be performed once every 7 calendar days)

- 1) Ride the elevator car. During this ride, listen, look, and feel for any unusual noises or abnormal operation. Check the operation of the following:
  - (a) Alarm bell
  - (b) Emergency stop switches
  - (c) Door open button
  - (d) Lights and gongs
  - (e) Elevator communication system
  - (f) Photocell, sensitive edge and freight door sequence
  - (g) Car landing accuracy.
- 2) Check all elevator system event logs.
- 3) Examine machine room equipment.
- 4) Correct any observed deficiency as necessary.

- 5) Record all work completed.

**b. Monthly**

- 1) Car-inspect clean and adjust the following as necessary:
  - (a) Cartop devices, including inspection operation, stop switch and light
  - (b) Guide shoes or rollers
  - (c) Car door reopening devices
  - (d) Leveling switches and/or selectors
  - (e) Door operator, clutch and restrictor (if applicable)
  - (f) Car stop switch, signals, buttons and optional switches
  - (g) Safeties and any applicable switches
- 2) Hoistway equipment - inspect, clean and adjust the following as necessary:
  - (a) Doors, travelling cable, hall lanterns, hall position indicators, hall call stations, gongs, and other devices as necessary
  - (b) Lubricate guide rails if required
  - (c) Hoist ropes
  - (d) Compensation cables and related equipment
  - (e) Counterweight assembly
  - (f) Check pit light and clean pit.
- 3) Check stopping accuracy and ensure that it does not present a tripping hazard.
- 4) Replace all burned out elevator signal lamps.
- 5) Examine all machine room equipment. Adjust and lubricate as necessary. If applicable, check commutator for carbon, high mica and discoloration, check armature clearance and connections, check hoist motor brushes, rigging insulators, fastening and spring tension on brush holders.
  - (a) Check hoist machine and motor.
  - (b) Check brake operation.
  - (c) Check tachometer/encoder.
  - (d) Check selector and related components.
- 6) Make an examination of the pit. Inspect and adjust the following as necessary:
  - (a) Buffers (car and cwt)
  - (b) Piping and supports
  - (c) Compensation and governor tail sheaves.
- 7) Check firefighter's emergency operation, Phase I and Phase II.
- 8) Check controller's cabinet cooling fans for proper operation.

**c. Quarterly.** In addition to the monthly preventive maintenance, perform the following:

- 1) **Machine.** Check all machine mountings and isolation, fastenings, drive sheave,



ring gear bolts, gear back lash, leaks and oil level if applied.

- 2) **Brake.** Check operation, electrical contact, pins, fastenings and adjustment, check brake friction surfaces for oil contamination, discoloration, foreign material, wear, and clearances.
  - 3) **Door and Gate Operator.** Check, clean, and lubricate operator; check cams and micro switches; check tightness of cam set screws, levers and fastenings; check door torque (setting not to exceed 30 lbs.); check nudging operation; check door opening and closing speed (all group cars must be equal); check belt tension and shaft bearings for wear; make certain door operator cover is securely fastened.
  - 4) **Car Doors.** Check door clutch and restrictive clutch operation, wear, clearance and alignment; make certain safety edge mountings are secure; lubricate pivot points; check condition of nylon retracting clip; check and clean tracks, sheaves/sprockets and chains; check relating cable; disassemble and clean door (gate) contact; check gate switch roller for wear; check for contact wipe; check for proper running clearance between door panels, door jambs, and header; check condition of gibs and sills; clean and check alignment of electric eye and receiver; check eccentric rollers for proper clearance.
  - 5) **Hoistway Door-Car Top:** Clean car top, check leveling switches, lubricate and clean car fan or bower, check oil reservoir levels in rail lubricators.
  - 6) **Hoistway-Car:** Check car emergency light for proper operation, check adjustment of car shoes and/or roller guides, lubricate guide shoe stems.
  - 7) **Retiring Cam:** Check retiring cam for proper operation, lubricate pivot points.
- d. Semi-Annually.** In addition to the monthly preventive maintenance, perform the following:
- 1) **Controller.** Check NTS and ETS operation, clean dust from controller and filters. Check low oil protection timer for proper operation.
  - 2) **Machine.** Check oil reservoir for proper lubrication level.
  - 3) **Hoistway Doors-Car Top.** Check T.M. switch contacts, spring and roller, check cab stabilizer; check operation and adjustment of interlock, hook and pickup roller assemblies; check condition and alignment of roller and lift rod; check hook-to-box clearance; clean tracks, sheaves/sprockets and chains; check tracks and sheaves/sprockets for wear; check chains for stretch; check condition of relating cable; check door closer (reel, weighted, or spring types); check condition of door gibs, sills, and struts; check for proper running clearance between door panels, door jambs, and header; check eccentrics for proper clearance.
  - 4) **Hoistway – Car.** Check car safeties for proper clearance; check supports for hydraulic pipe; clean and lubricate pivots; check counter weight safeties for proper clearance; check travel cable for damage; check limit switches by hand for proper operation; check for wear and clean limit switch contacts and roller; check

limit switch cam alignment; check terminal slowdown cam fastening; make sure piston and platen plate fastenings are secure; clean hoistway, rails, and car sides; check oil level in buffers (car and pit), check alignment of buffer to strike plate, make sure fastenings are secure.

- 5) **Ropes.** Lubricate hoist ropes as necessary.
- e. **Annually.** In addition to the monthly preventive maintenance, perform the following:
  - 1) **Safety Test.** Perform annual no-load safety test. Perform annual hydraulic safety test. Repair any deficiencies found immediately during the annual inspection to prevent red-tagging in the elevator.
  - 2) **Assist state inspector for annual certification.** Repair any deficiencies found immediately during the annual inspection to prevent red tagging the elevator.
- f. **Every Two (2) Years.** In addition to the monthly preventive maintenance, perform the following:
  - 1) **Machine:** Drain, clean and refill motor sleeve bearings every two years, drain, clean gear case and refill with gear oil every two years.
- g. **Every Five (5) Years.** In addition to the monthly preventive maintenance, perform the following:
  - 1) **Safety tests.** Perform full load and full speed safety tests and any other required five-year testing by governing body.

## 2. Preventative Maintenance for Hydraulic Elevators

Contractor shall perform all necessary preventative maintenance required for safe reliable operation as specified by the ASME standards and in conformance with the specifications included in the Manufacturer's System Operations Manuals, Maintenance Manuals, and Service Procedures for each elevator. At a minimum, Contractor shall perform the following preventative maintenance:

- b. **Weekly (to be performed once every 7 calendar days)**
  - 1) Ride the elevator car. During this ride, listen, look, and feel for any unusual noises or abnormal operation. Check the operation of the following:
    - (a) Alarm bell
    - (b) Emergency stop switches
    - (c) Door open button
    - (d) Lights and gongs
    - (e) Elevator communication system
    - (f) Photocell, sensitive edge and freight door sequence
    - (g) Car landing accuracy.
  - 2) Check all elevator system event logs.

- 3) Examine machine room equipment.
- 4) Correct any observed deficiency as necessary.
- 5) Record all work completed. Use the appropriate spaces on Service Guide.

**b. Monthly**

- 1) Car-inspect clean and adjust the following as necessary:
  - (a) Cartop devices, including inspection operation, stop switch and light.
  - (b) Guide shoes or rollers
  - (c) Car door reopening devices
  - (d) Leveling switches and/or selectors
  - (e) Door operator, clutch and restrictor (if applicable)
  - (f) Door closing force
  - (g) Car stop switch, signals, buttons and optional switches
- 2) Hoistway equipment - inspect, clean and adjust the following as necessary:
  - (a) Doors, travelling cable, hall lanterns, hall position indicators, hall call stations, gongs, and other devices as necessary.
  - (b) Lubricate guide rails if required
- 3) Check stopping accuracy and ensure that it does not present a tripping hazard.
- 4) Replace all burned out elevator signal lamps.
- 5) Examine all machine room equipment. Adjust as necessary.
  - (a) Clean drip pan as needed.
  - (b) Check condition of line starter contactors, mountings and contacts, check relay contacts for excessive burning and proper contact wipe, check cabinet cooling fan(s) for proper operation.
  - (c) Check operation of battery lowering unit.
  - (d) Check oil level and temperature. Check for oil leakage around valves and pumps, check oil reservoir for proper fluid level. Examine and clean pump unit, strainer, valve, muffler, hydraulic line, controller, clean machine room and remove trash.
  - (e) Check belt condition and tension (dry unit).
  - (f) Check motor and motor limit timer.
  - (g) Check power supplies for proper voltage.
- 6) Check for excessive leaks in the hydraulic system including jack packing gland and rusting.
- 7) Make an examination of the pit. Inspect and adjust the following as necessary:
  - (a) Check packing and jack and oil recovery device
  - (b) Check guide shoes
  - (c) Check pit lighting and switches-limi, stop and all other as necessary

- Check pit light guard
  - (d) Check condition of cab panels, handrails, car lighting, and fixtures, check sills for trash
  - (e) Check operation of all signal lights, lantern, gongs, and check hall button operations.
- 8) Hoistway door – Check operation of inspection station and light, make certain light guard is in place, make certain emergency exit doors are secured.
- 9) Fire recall testing per state requirement.

**c. Quarterly.** In addition to the monthly preventive maintenance, perform the following:

- 1) **Controller.** Clean dust from controller and filters.
- 2) **Pump Unit:** Check belts for wear and correct tension, check hoses and gaskets for deterioration, check valve, muffler and mounting bolts for tightness.
- 3) **Door and Gate Operator.** Check, clean, and lubricate operator; check cams and micro switches; check tightness of cam set screws, levers and fastenings; check door torque (setting not to exceed 30 lbs); check nudging operation; check door opening and closing speed (all group cars must be equal); check belt tension and shaft bearings for wear; make certain door operator cover is securely fastened.
- 4) **Car Doors.** Check door clutch and restrictive clutch operation, wear, clearance and alignment; make certain safety edge mountings are secure; lubricate pivot points; check condition of nylon retracting clip; check and clean tracks, sheaves/sprockets and chains; check relating cable; disassemble and clean door (gate) contact; check gate switch roller for wear; check for contact wipe; check for proper running clearance between door panels, door jambs, and header; check condition of gibs and sills; clean and check alignment of electric eye and receiver; check eccentric rollers for proper clearance.
- 5) **Hoistway Door-Car Top:** Clean car top, check leveling switches, lubricate and clean car fan or bower, check oil reservoir levels in rail lubricators.
- 6) **Hoistway-Car:** Check car emergency light for proper operation, check adjustment of car shoes and/or roller guides, lubricate guide shoe stems.

**d. Semi-Annually.** In addition to the monthly preventive maintenance, perform the following:

- 1) **Controller.** Check low oil protection timer for proper operation.
- 2) **Hoistway Doors-Car top.** Check operation and adjustment of interlock, hook and pickup roller assemblies, check condition and alignment of roller and lift rod, check hook-to-box clearance, clean tracks, sheaves/sprockets and chains, check tracks and sheaves, sprockets for wear, and chains for stretch, check condition of relating cable, check door closer (reel-,weighted-,or spring-type), check condition of door gibs, sills and struts, check for proper running clearance between door

panels, door jambs, and header, check eccentrics for proper clearance.

- 3) **Hoistway-Car.** Check supports for hydraulic pipe, check limit switches by hand for proper operation, clean limit switch contacts, rollers and check for wear, check limit switch cam alignment, check terminal slowdown cam fastenings, make sure piston and platen plate fastenings are secure, clean hoistway, rails and car sides, check oil level in buffers, check alignment of buffer to strike plate, make sure fastening are secure.

e. **Annually.** In addition to the monthly preventive maintenance, perform the following:

- 1) **Controller.** Check wire connections for tightness and relay shunts for wear, check power supply and calibration voltages, check settings and operation of overloads, remove and clean fuses, clean fuse holders.
- 2) **Pump Unit.** Lubricate pump motor per manufacturer's instructions.
- 3) **Hoistway Doors-Car Top.** Check all car mounted cams and switches, check condition of each cab stabilizer.
- 4) **Hoistway-Car.** Check travel cable for damage, twisting or chafing, make certain fastenings are secure, check guide rail clips, brackets and fastening for tightness, check stiles for cracks, bends, rust or loose bolts, check slant rods and nuts for tightness.
- 5) **Retiring Cam:** Check retiring cam for proper operation, lubricate pivot points.
- 6) **Safety Tests:** Perform annual hydraulic safety test. Assist state inspector for annual certification. Repair any deficiencies found immediately during the annual inspection to prevent red tagging the elevator.

f. **Every Five (5) Years.** In addition of the monthly preventive maintenance, perform five year load test as required by governing body.

### 3. As-Needed Services

As-Needed Services are similar to Preventative Maintenance in that As-Needed Services may include the same types of testing, inspection, repair or refurbishment work included in Preventative Maintenance. However, As-Needed Services for this RFP are further defined as those services required for Airport elevators as a result of accidents, vandalism, or any other instance or circumstance that is not a result of standard operations and/or normal wear and tear.

**a. Task Orders.** As-Needed Services shall be performed on an if-and-as-needed basis, at the request of the Airport documented through a written Task Order signed by the Airport and Contractor. The Task Order shall include a description of the work required, deliverables, schedule for performance, cost, and method and timing of payment, and shall be made a part of and incorporated into the Contract without further modification to the Contract.

**Appendix B  
Calculation of Charges**

**Refer to Section 3.3 “Compensation” of the Agreement for payment requirements including City approval of Contractor services performed and invoice format.**

**A. Preventative Maintenance Services**

The unit price for Preventive Maintenance Services provided in this Agreement is inclusive of all costs related to preventative maintenance described in the Scope of Services. The unit price shall cover all parts, materials, tools, diagnostic equipment and personnel (including costs of labor, overhead, and profit) required to maintain safe and reliable operation of the designated equipment throughout the entire term of the Agreement, and all costs related to security checks and identification badges required for the Contractor’s employees working on site at the Airport.

Item No.	Description	Quantity	Unit	Unit Price	Number of Elevators	Extension (Quantity x Unit Price x Number of Elevators)
H01	Monthly Services for Hydraulic Elevators Built 1990 or Earlier and Less than or Equal to 4000lbs Capacity	24	MT	\$1,685	3	\$ 121,320
H02	Monthly Services for Hydraulic Elevators Built 1990 or Earlier and Less than or Equal to 4000lbs Capacity	24	MT	\$1,645	5	\$ 197,400
H03	Monthly Service for Hydraulic Elevators Built 1991 to 2014 and Less than or Equal to 4000lbs Capacity	24	MT	\$1,605	49	\$ 1,887,480
H04	Monthly Service for Hydraulic Elevators Built 1991 to 2014 and Greater than 4000lbs Capacity	24	MT	\$1,565	4	\$ 150,240
H05	Monthly Service for Hydraulic Elevators Built 2015 or Later and Less than or Equal to 4000lbs Capacity	24	MT	\$1,557	6	\$ 224,208
T01	Monthly Service for Traction Elevators Built 1990 or Earlier and Less than or Equal to 4000lbs Capacity	24	MT	\$1,685	32	\$ 1,294,080
T02	Monthly Service for Traction Elevators Built	24	MT	\$1,645	1	\$ 39,480

	1990 or Earlier and Greater than 4000lbs Capacity					
T03	Monthly Service for Traction Elevators Built 1991 to 2014 and Less than or Equal to 4000lbs Capacity	24	MT	\$1,605	54	\$ 2,080,080
T04	Monthly Service for Traction Elevators Built 1991 to 2014 and Greater than 4000lbs Capacity	24	MT	\$1,565	33	\$ 1,239,480
T05	Monthly Service for Traction Elevators Built 2015 or Later and Less than or Equal to 4000lbs Capacity	24	MT	\$1,557	30	\$ 1,121,040
T06	Monthly Service for Traction Elevators Built 2015 or Later and Greater than 4000lbs Capacity	24	MT	\$1,549	29	\$ 1,078,104
	<b>Subtotal for Preventative Maintenance Services</b>					<b>\$ 9,432,912</b>

**B. As-Needed Services**

As-needed services may or may not be performed, and shall only be performed when and as directed by the Airport through the issuance of a written task order signed by the Airport and Contractor. As-needed services shall include the approved replacement of obsolete or deficient parts. Contractor shall be responsible for providing at its own expense all necessary tools, diagnostic equipment, and personnel to perform the Services.

The task order shall include a description of 1) the as-needed services, 2) any required parts, materials and/or equipment, 3) any deliverable(s), 4) a schedule for performance, 5) cost, and 6) method and timing of payment, and shall be made a part of and incorporated into the contract documents without further modification to the Contract.

If the cost of Services done under any Allowance is less than the amount stated in the contract, the total compensation payable shall be reduced by the difference between the amount stated in the Agreement and the cost of Services actually done.

Item No.	Description	Quantity	Unit	Unit Price	Extension
A01	Allowance for As-Needed Services	1	AL	\$250,000	\$ 250,000
	<b>Subtotal for As-Needed Services</b>				<b>\$ 250,000</b>

<b>Preventative Maintenance Services</b>	<b>\$ 9,432,912</b>
<b>As-Needed Services</b>	<b>\$ 250,000</b>
<b>Total Not-to-Exceed Price</b>	<b>\$ 9,682,912</b>



## APPENDIX C EQUIPMENT LIST

The following is a list of all equipment covered by this Agreement. Prior to the Effective Date, Airport will issue a Notice of Excluded Equipment that will identify specific units from the Equipment List that are non-operating or not intended to be serviced under this Agreement due to 1) a mechanical issue, 2) a violation or deficiency that would prohibit safe operation, or 3) the unit being maintained outside of this Agreement.

Preventative maintenance of excluded equipment shall not be part of the Contractor's Scope of Services, and the unit price(s) for excluded equipment shall not be paid for by the Airport. Airport will update the Notice of Excluded Equipment as necessary during the term of the Contract.

Unit	Year	STATE ID	Location	Capacity (lbs)	Drive	Manufacturer
EL903	1960	47526	Bldg 710	3500	Hydraulic	Westinghouse
EL112	1964	44718	T1, B/A B	2000	Hydraulic	Montgomery
EL904	1968	47527	Bldg 710	6000	Hydraulic	Westinghouse
EL902	1975	59560	Bldg. 682	12000	Hydraulic	Otis
EL305	1978	64749	T3	4000	Hydraulic	ThyssenKrupp
EL116	1985	88007	T1	8000	Hydraulic	Montgomery
EL115	1987	38069	T1	8000	Hydraulic	Esco (Haughton)
EL435	1990	97022	PG1, H	6000	Hydraulic	Dover
EL227	1993	102186	T2	4000	Hydraulic	Haughton
EL228	1993	102185	T2	4000	Hydraulic	Haughton
EL932	1994	126562	BART	2500	Hydraulic	ThyssenKrupp
EL938	1997	126561	BART	4500	Hydraulic	ThyssenKrupp
EL1208	1998	120576	ITB B/A A	3000	Hydraulic	ThyssenKrupp
EL960	1998	118705	NC Facility	3000	Hydraulic	ThyssenKrupp
EL962	1998	118531	NC Facility	3000	Hydraulic	ThyssenKrupp
EL1203	1998	120547	ITB B/A A	3500	Hydraulic	ThyssenKrupp
EL1206	1998	120548	ITB B/A A	3500	Hydraulic	ThyssenKrupp
EL1207	1998	120577	ITB B/A A	3500	Hydraulic	ThyssenKrupp
EL1209	1998	120549	ITB B/A A	3500	Hydraulic	ThyssenKrupp
EL1210	1998	120550	ITB B/A A	3500	Hydraulic	ThyssenKrupp
EL1211	1998	120578	ITB B/A A	3500	Hydraulic	ThyssenKrupp
EL1212	1998	120579	ITB B/A A	3500	Hydraulic	ThyssenKrupp
EL1506	1998	120527	ITB B/A G	3500	Hydraulic	ThyssenKrupp
EL1507	1998	120532	ITB B/A G	3500	Hydraulic	ThyssenKrupp
EL1508	1998	120531	ITB B/A G	3500	Hydraulic	ThyssenKrupp

Unit	Year	STATE ID	Location	Capacity (lbs)	Drive	Manufacturer
EL1509	1998	120526	ITB B/A G	3500	Hydraulic	ThyssenKrupp
EL1510	1998	120525	ITB B/A G	3500	Hydraulic	ThyssenKrupp
EL1511	1998	120523	ITB B/A G	3500	Hydraulic	ThyssenKrupp
EL1512	1998	120522	ITB B/A G	3500	Hydraulic	ThyssenKrupp
EL1513	1998	120528	ITB B/A G	3500	Hydraulic	ThyssenKrupp
EL961	1999	118532	NC Facility	3000	Hydraulic	ThyssenKrupp
EL948	1999	120876	ART. Bldg	3500	Hydraulic	ThyssenKrupp
EL949	1999	120852	ART. Bldg	9000	Hydraulic	ThyssenKrupp
EL1007A	2000	120644	ITB C	2100	Hydraulic	ThyssenKrupp
EL939	2000	126982	ART WF	3000	Hydraulic	ThyssenKrupp
EL940	2000	126981	ART WF	3000	Hydraulic	ThyssenKrupp
EL951	2000	127041	ART RCC	3000	Hydraulic	ThyssenKrupp
EL950	2000	127042	ART RCC	3500	Hydraulic	ThyssenKrupp
EL944	2000	120885	WF Cargo	4000	Hydraulic	D & D
EL945	2000	120884	WF Cargo	4000	Hydraulic	D & D
EL946	2000	120881	WF Cargo	4000	Hydraulic	D & D
EL947	2000	120882	WF Cargo	4000	Hydraulic	D & D
EL436	2001	127230	ART D	3500	Hydraulic	ThyssenKrupp
EL437	2001	127231	ART D	3500	Hydraulic	ThyssenKrupp
EL438	2001	127071	ART F	3500	Hydraulic	ThyssenKrupp
EL439	2001	127072	ART F	3500	Hydraulic	ThyssenKrupp
EL440	2001	126986	ART B	3500	Hydraulic	ThyssenKrupp
EL441	2001	126990	ART B	3500	Hydraulic	ThyssenKrupp
EL927	2003	126716	Garage A	2500	Hydraulic	ThyssenKrupp
EL963	2003	133876	WQP	3500	Hydraulic	ThyssenKrupp
EL1029	2008	145143	ITB NS	4000	Hydraulic	ThyssenKrupp
EL1030	2008	145144	ITB NS	4000	Hydraulic	ThyssenKrupp
EL215	2011	156868	T2,	2500	Hydraulic	TKE
EL1208A	2011	156804	ITB B/A A	3000	Hydraulic	ThyssenKrupp
EL202	2011	156869	T2	3500	Hydraulic	ThyssenKrupp
EL309	2013	166506	B/A E	5000	Hydraulic	Mitsubishi
EL310	2013	166507	B/A E	5000	Hydraulic	Mitsubishi
EL965	2014	166570	Building 632	3000	Hydraulic	ThyssenKrupp
EL964	2014	166569	Building 632	3000	Hydraulic	ThyssenKrupp
EL317	2014	166969	T3	3600	Hydraulic	ThyssenKrupp
EL100	2015	168961	T1, B/A C	3500	Hydraulic	Ascent

Unit	Year	STATE ID	Location	Capacity (lbs)	Drive	Manufacturer
EL201	2015	162021	T2, Control Towel	3500	Hydraulic	Ascent
WC900	2016	171476	BLDG 606	750	Hydraulic	Hankin
WC901	2017	173553	ERF3	750	Hydraulic	Garaventa LULA
WC1	1997	118501	T2	750	Screw Drive	
EL969	1962	65074	Super Bay Hanger	15000	Traction	CEC
EL332	1964	64732	T3	2500	Traction	Otis
EL313	1964	64747	T3	4000	Traction	Otis
EL314	1964	64748	T3	4000	Traction	Otis
EL900	1970	49836	Bldg 757	3000	Traction	TKE
EL901	1970	49835	Bldg 757	3000	Traction	TKE
EL333	1976	64751	T3	2500	Traction	Otis
EL410	1976	63510	PG1, C	4000	Traction	Westinghouse
EL411	1976	63511	PG1, C	4000	Traction	Westinghouse
EL415	1976	62636	PG1, C	4000	Traction	Westinghouse
EL425	1976	65094	PG1, F	4000	Traction	TKE
EL434	1977	65993	PG1, H	2500	Traction	Dover
EL301	1978	64949	T3	4000	Traction	Otis
EL302	1978	64950	T3	4000	Traction	Otis
EL401	1978	64989	PG1, A/B	4000	Traction	Westinghouse
EL402	1978	64990	PG1, A/B	4000	Traction	Westinghouse
EL403	1978	64991	PG1, A/B	4000	Traction	Westinghouse
EL412	1978	66591	PG1, D	4000	Traction	ThyssenKrupp
EL413	1978	66592	PG1, D	4000	Traction	ThyssenKrupp
EL414	1978	66593	PG1, D	4000	Traction	ThyssenKrupp
EL417	1978	65069	PG1, E	4000	Traction	Westinghouse
EL418	1978	65070	PG1, E	4000	Traction	Westinghouse
EL419	1978	65071	PG1, E	4000	Traction	Westinghouse
EL423	1978	65095	PG1, F	4000	Traction	TKE
EL424	1979	65093	PG1, F	4000	Traction	TKE
EL431	1979	66484	PG1, F/G	4000	Traction	Westinghouse
EL432	1979	66485	PG1, F/G	4000	Traction	Westinghouse
EL433	1979	66486	PG1, F/G	4000	Traction	Westinghouse
EL404	1980	64992	PG1, B	4000	Traction	ThyssenKrupp
EL405	1980	64993	PG1, B	4000	Traction	ThyssenKrupp
EL416	1980	64994	PG1, B	4000	Traction	ThyssenKrupp

Unit	Year	STATE ID	Location	Capacity (lbs)	Drive	Manufacturer
EL102	1986	83094	T1	4000	Traction	Montgomery
EL103	1986	83095	T1	4000	Traction	Montgomery
EL340	1995	120666	T3	4000	Traction	ThyssenKrupp
EL341	1995	20667	T3	4000	Traction	ThyssenKrupp
EL910	1996	111041	Lot DD	4000	Traction	US Elevator
EL911	1996	111042	Lot DD	4000	Traction	US Elevator
EL912	1996	111043	Lot DD	4000	Traction	US Elevator
EL1009	1998	120641	ITB C	2000	Traction	ThyssenKrupp
EL1013	1998	120615	ITB C	2000	Traction	ThyssenKrupp
EL1014	1998	120614	ITB C	2000	Traction	ThyssenKrupp
EL1015	1998	120613	ITB C	2000	Traction	ThyssenKrupp
EL1016	1998	120611	ITB C	2000	Traction	ThyssenKrupp
EL1020	1998	120612	ITB C	2000	Traction	ThyssenKrupp
EL959	1998	116124	RCC	2500	Traction	Montgomery
EL1005	1998	120702	ITB SS	3500	Traction	ThyssenKrupp
EL1006	1998	120703	ITB SS	3500	Traction	ThyssenKrupp
EL1026	1998	118707	ITB NS	3500	Traction	ThyssenKrupp
EL1027	1998	118708	ITB NS	3500	Traction	ThyssenKrupp
EL1201	1998	120700	ITB SS	3500	Traction	ThyssenKrupp
EL1202	1998	120701	ITB SS	3500	Traction	ThyssenKrupp
EL1205	1998	120546	ITB B/A A	3500	Traction	ThyssenKrupp
EL1213	1998	120580	ITB B/A A	3500	Traction	ThyssenKrupp
EL1501	1998	118709	ITB B/A G	3500	Traction	ThyssenKrupp
EL1502	1998	118710	ITB B/A G	3500	Traction	ThyssenKrupp
EL1503	1998	120524	ITB B/A G	3500	Traction	ThyssenKrupp
EL1004	1998	120704	ITB SS	4000	Traction	ThyssenKrupp
EL1011	1998	120668	ITB C	4000	Traction	ThyssenKrupp
EL1012	1998	120669	ITB C	4000	Traction	ThyssenKrupp
EL1018	1998	120649	ITB C	4000	Traction	ThyssenKrupp
EL1019	1998	120650	ITB C	4000	Traction	ThyssenKrupp
EL1025	1998	120705	ITB NS	4000	Traction	ThyssenKrupp
EL952	1998	116122	RCC	4000	Traction	Montgomery
EL953	1998	116121	RCC	4000	Traction	Montgomery
EL954	1998	116120	RCC	4000	Traction	Montgomery
EL955	1998	116119	RCC	4000	Traction	Montgomery
EL956	1998	116118	RCC	4000	Traction	Montgomery
EL957	1998	116117	RCC	4000	Traction	Montgomery

Unit	Year	STATE ID	Location	Capacity (lbs)	Drive	Manufacturer
EL958	1998	116123	RCC	4500	Traction	Montgomery
EL1001	1998	120645	ITB SS	6000	Traction	ThyssenKrupp
EL1002	1998	120646	ITB SS	6000	Traction	ThyssenKrupp
EL1003	1998	120647	ITB SS	6000	Traction	ThyssenKrupp
EL1022	1998	120663	ITB NS	6000	Traction	ThyssenKrupp
EL1023	1998	120664	ITB NS	6000	Traction	ThyssenKrupp
EL1024	1998	120665	ITB NS	6000	Traction	ThyssenKrupp
EL1007	1998	120725	ITB SS	6500	Traction	ThyssenKrupp
EL1008	1998	120670	ITB C	6500	Traction	ThyssenKrupp
EL1010	1998	120706	ITB C	6500	Traction	ThyssenKrupp
EL1017	1998	120648	ITB C	6500	Traction	ThyssenKrupp
EL1021	1998	120643	ITB C	6500	Traction	ThyssenKrupp
EL1028	1998	120726	ITB NS	6500	Traction	ThyssenKrupp
EL1504	1998	120529	ITB B/A G	9000	Traction	ThyssenKrupp
EL1505	1998	120530	ITB B/A G	9000	Traction	ThyssenKrupp
EL1204	1998	120729	ITB B/A A	10000	Traction	ThyssenKrupp
EL941	1999	116303	W.F.Parking	3500	Traction	ThyssenKrupp
EL942	1999	116304	W.F.Parking	3500	Traction	ThyssenKrupp
EL943	1999	116305	W.F.Parking	3500	Traction	ThyssenKrupp
EL306	2000	71905	T3	2000	Traction	ThyssenKrupp
EL920	2000	120639	Garage A	4000	Traction	ThyssenKrupp
EL921	2000	120638	Garage A	4000	Traction	ThyssenKrupp
EL922	2000	120637	Garage A	4000	Traction	ThyssenKrupp
EL924	2000	118539	Garage A	4000	Traction	ThyssenKrupp
EL934	2000	120692	Garage G	4000	Traction	ThyssenKrupp
EL935	2000	120693	Garage G	4000	Traction	ThyssenKrupp
EL936	2000	120694	Garage G	4000	Traction	ThyssenKrupp
EL937	2000	120695	Garage G	4000	Traction	ThyssenKrupp
EL925	2000	118540	Garage A	5000	Traction	ThyssenKrupp
EL926	2000	118541	Garage A	5000	Traction	ThyssenKrupp
EL933	2001	120691	Garage G	4000	Traction	ThyssenKrupp
EL930	2001	126564	BART	5000	Traction	ThyssenKrupp
EL931	2001	126563	BART	5000	Traction	ThyssenKrupp
EL334	2003	118961	T3, B/A F, HUB	3500	Traction	D&D
EL335	2003	118962	T3, B/A F, HUB	3500	Traction	D&D

Unit	Year	STATE ID	Location	Capacity (lbs)	Drive	Manufacturer
EL118	2007	137568	T1	4000	Traction	ThyssenKrupp
EL119	2007	137569	T1	4000	Traction	ThyssenKrupp
EL210	2011	156905	T2	4500	Traction	Kone
EL216	2011	156872	T2, B/A D	4500	Traction	Kone
EL218	2011	156871	T2, B/A D	4500	Traction	Kone
EL219	2011	156907	T2, B/A D	4500	Traction	Kone
EL220	2011	156874	T2, B/A D	4500	Traction	Kone
EL222	2011	156873	T2, B/A D	4500	Traction	Kone
EL223	2011	156908	T2, B/A D	4500	Traction	Kone
EL224	2011	156909	T2, B/A D	4500	Traction	Kone
EL206	2011	156903	T2	5500	Traction	Kone
EL207	2011	156902	T2	5500	Traction	Kone
EL209	2011	156904	T2	5500	Traction	Kone
EL208	2011	156901	T2		Traction	Kone
EL307	2013	168688	T3	4500	Traction	ThyssenKrupp
EL308	2013	168689	T3	4500	Traction	ThyssenKrupp
EL312	2014	64740	T3	2500	Traction	Otis
EL311	2014	64733	T3	3500	Traction	Westinghouse
EL200	2015	166665	T2, Control Towel	3500	Traction	Ascent
EL101	2015	168654	T1, B/A C	5000	Traction	Ascent
EL336	2018	64731	T3, B/A F, HUB	4000	Traction	Otis
EL913	2018		PG2	4000	Traction	ThyssenKrupp
EL914	2018		PG2	4000	Traction	ThyssenKrupp
EL915	2018		PG2	4000	Traction	ThyssenKrupp
EL916	2018		PG2	4000	Traction	ThyssenKrupp
EL966	2018	178055	CAC	4000	Traction	ThyssenKrupp
EL967	2018	178056	CAC	5000	Traction	ThyssenKrupp
Air Canada Lounge	2019		B/A G	3500	Traction	
EL120	2019		T1C	4000	Traction	ThyssenKrupp
EL121	2019		T1C	4000	Traction	ThyssenKrupp
EL122	2019		T1C	4000	Traction	ThyssenKrupp
EL123	2019		T1C	4000	Traction	ThyssenKrupp
EL124	2019		T1C	4000	Traction	ThyssenKrupp
EL125	2019		T1C	4000	Traction	ThyssenKrupp
EL128	2019		T1C	4000	Traction	ThyssenKrupp

Unit	Year	STATE ID	Location	Capacity (lbs)	Drive	Manufacturer
EL129	2019		T1C	4000	Traction	ThyssenKrupp
EL130	2019		T1C	4000	Traction	ThyssenKrupp
EL131	2019		T1C	4000	Traction	ThyssenKrupp
EL132	2019		T1C	4000	Traction	ThyssenKrupp
EL134	2019		T1C	4000	Traction	ThyssenKrupp
EL135	2019		T1C	4000	Traction	ThyssenKrupp
EL136	2019		T1C	4000	Traction	ThyssenKrupp
EL137	2019		T1C	4000	Traction	ThyssenKrupp
EL139	2019		T1C	4000	Traction	ThyssenKrupp
EL140	2019		T1C	4000	Traction	ThyssenKrupp
EL145	2019		T1C, B/A B	4000	Traction	ThyssenKrupp
EL146	2019		T1C, B/A B	4000	Traction	ThyssenKrupp
EL151	2019		T1C, B/A B	4000	Traction	ThyssenKrupp
EL126	2019		T1C	4500	Traction	ThyssenKrupp
EL127	2019		T1C	4500	Traction	ThyssenKrupp
EL133	2019		T1C	4500	Traction	ThyssenKrupp
EL138	2019		T1C	4500	Traction	ThyssenKrupp
EL149	2019		T1C, B/A B	4500	Traction	ThyssenKrupp
EL152	2019		T1C, B/A B	4500	Traction	ThyssenKrupp
EL155	2019		T1C, B/A B	4500	Traction	ThyssenKrupp
EL147	2019		T1C, B/A B	5000	Traction	ThyssenKrupp
EL148	2019		T1C, B/A B	5000	Traction	ThyssenKrupp
EL150	2019		T1C, B/A B	5000	Traction	ThyssenKrupp
EL153	2019		T1C, B/A B	5000	Traction	ThyssenKrupp
EL154	2019		T1C, B/A B	5000	Traction	ThyssenKrupp
EL1203A	2019		IT, B/A A BUS ANNEX	3500	Traction	
EL923	2019		ART Hotel	4500	Traction	
EL928	2019		ART Hotel	4500	Hydro	
EL928	2019		ART Hotel	4500	Hydro	
EL303	1964	120533	T3	4000		Thyssen/Dover
EL304	1964	120534	T3	4000		Thyssen/Dover
EL204	2019		T2	3500	Traction	ThyssenKrupp
EL205	2019		T2	3500	Traction	ThyssenKrupp
EL211	2019		T2	4000	Traction	ThyssenKrupp
EL212	2019		T2	3500	Traction	ThyssenKrupp
EL213	2019		T2	3500	Traction	ThyssenKrupp

**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 **July 1, 2020**, in San Francisco, California, by and between **thyssenkrupp Elevator Corporation** (the “Contractor”), and the City and County of San Francisco, a municipal corporation (the “City”), acting by and through its Airport Commission, hereinafter referred to as “**Commission**.”

RECITALS

A. City and Contractor have entered into the Agreement for the San Francisco International Airport (the “Airport” or “SFO”) (as defined below); and,

B. The Commission is authorized to enter into all contracts which relate to matters under its jurisdiction; and

C. On May 7, 2019, by Resolution No. 19-0099, the Commission awarded this Agreement to the Contractor for a two-year term from July 1, 2019 through June 30, 2021, in an amount not to exceed \$9,682,912; and

D. 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 unit prices 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; and

E. City and Contractor desire to administratively modify the Agreement on the terms and conditions set forth herein to reduce unit prices for preventative maintenance and adjust the preventative maintenance schedule; and

F. Approval for this Agreement was obtained when the Civil Service Commission approved PSC No. 47246-18/19 on April 15, 2019; and

Now, THEREFORE, the parties agree that the following Articles have been changed as follows:

**1. Article 1. Definitions**, has been amended to include the following into the Agreement:

**a. Section 1.10 “City Data” or “Data”** is hereby added to the Agreement to read as follows:

**1.10** “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.

**b. Section 1.11 Confidential Information** is hereby added to the Agreement to read as follows:

1.11 Confidential Information.



1.11.1 “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).

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

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

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

**2. Article 4 Services and Resources, Section 4.5 Assignment** is hereby replaced with new **Section 4.5 Assignment** as follows:

**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 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.

**3. New Article 7 Payment of Taxes, Section 7.3 Withholding** is hereby added to the Agreement to read 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.

**4. Article 8 Termination and Default, 8.2.1(a)** is hereby amended to include **Article 13 “Data and Security”** into the table.

**5. Article 8 Termination and Default, 8.4.1** is hereby amended to include **Article 13 “Data and Security”** into the table.

**6. Article 10 Additional Requirements Incorporated by Reference, Section 10.4 (Reserved)** is hereby replaced with **10.4 Consideration of Salary History**, added to the Agreement to read 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.

**7. Article 10 Additional Requirements Incorporated by Reference, Section 10.11 Limitations on Contributions** is hereby replaced with **New 10.11 Limitations on Contributions**.

**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.

**8. Article 11 General Provisions, 11.3 (Reserved)** is hereby replaced with **11.3 Incorporation of Recitals**, to read as follows:

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

**9. New Article 11 General Provisions, Section 11.14 Notification of Legal Requests** is hereby added to the Agreement to read as follows:

**11.14 Notification of Legal Requests.** Contractor shall immediately notify City upon receipt of any subpoenas, service of process, litigation holds, discovery requests and other legal requests (“Legal Requests”) related to City Data or which in any way might reasonably require access to City 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.

**10. New Article 13 Data and Security, Section 13.4 Management of City Data and Confidential Information** is hereby added to the Agreement to read as follows:

**13.1 Management of City Data and Confidential Information**

**13.4.1 Access to City Data.** City shall at all times have access to and control of all City 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.

**13.4.2 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.

**13.4.3 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.

**11. Appendix A, Scope of Services, A. General, 4. Regular Work Hours** is hereby replaced in its entirety with the following, to reduce regular service from seven days per week to five days per week (working days only):

**4. Regular Work Hours:** Contractor shall be prepared to provide service five days per week (Monday through Friday, excluding legal holidays). Regular work hours may be negotiated between the Contractor and the Airport, however planned preventative maintenance should be performed primarily between the hours of 7:00 a.m. and 3:30 p.m., Monday through Friday.

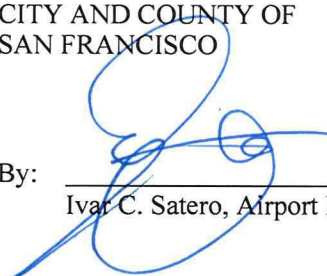




**12. A. Appendix B, A. Preventative Maintenance Service** is hereby amended. The table of unit prices has been replaced with the following, which reflects a five percent reduction of the monthly prices for preventative maintenance of elevators:

Description	Price per Elevator per Month
Monthly Services for Hydraulic Elevators Built 1990 or Earlier and Less than or Equal to 4000lbs Capacity	\$1,601
Monthly Services for Hydraulic Elevators Built 1990 or Earlier and Less than or Equal to 4000lbs Capacity	\$1,563
Monthly Service for Hydraulic Elevators Built 1991 to 2014 and Less than or Equal to 4000lbs Capacity	\$1,525
Monthly Service for Hydraulic Elevators Built 1991 to 2014 and Greater than 4000lbs Capacity	\$1,487
Monthly Service for Hydraulic Elevators Built 2015 or Later and Less than or Equal to 4000lbs Capacity	\$1,479
Monthly Service for Traction Elevators Built 1990 or Earlier and Less than or Equal to 4000lbs Capacity	\$1,601
Monthly Service for Traction Elevators Built 1990 or Earlier and Greater than 4000lbs Capacity	\$1,563
Monthly Service for Traction Elevators Built 1991 to 2014 and Less than or Equal to 4000lbs Capacity	\$1,525
Monthly Service for Traction Elevators Built 1991 to 2014 and Greater than 4000lbs Capacity	\$1,487
Monthly Service for Traction Elevators Built 2015 or Later and Less than or Equal to 4000lbs Capacity	\$1,479
Monthly Service for Traction Elevators Built 2015 or Later and Greater than 4000lbs Capacity	\$1,472

**13. Effective Date.** Each of the changes set forth in this Modification shall be effective on and after the date of this Modification, except for the reduction in monthly prices for preventative maintenance, which shall be effective on **August 1, 2020**.

**14. 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.

<p><b>CITY</b> AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO</p> <p>By:  Ivar C. Satero, Airport Director</p> <p>Approved as to Form:  Dennis J. Herrera City Attorney</p> <p>By:  Daniel A. Edington Deputy City Attorney</p>	<p><b>CONTRACTOR</b></p> <p> Authorized Signature</p> <p> Printed Name</p> <p> Title</p> <p><u>thyssenkrupp Elevator Corporation</u> Company Name</p> <p><u>000003649</u> City Supplier ID</p> <p><u>292 Lawrence Avenue</u> Address</p> <p><u>South San Francisco, CA 94080</u> City, State, ZIP</p> <p><u>415-241-4525</u> Telephone Number</p> <p><u>62-1211267</u> Federal Employer ID Number</p>
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AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 21-0105

**APPROVAL OF MODIFICATION NO. 2 TO CONTRACT NO. 50204 WITH TK ELEVATOR CORPORATION, FOR ELEVATOR MAINTENANCE, REPAIR, AND ON-CALL SERVICES, TO INCREASE THE CONTRACT AMOUNT BY \$12,600,000, FOR A NEW NOT-TO-EXCEED CONTRACT AMOUNT OF \$22,282,912, AND TO EXTEND THE CONTRACT TERM BY THREE YEARS FOR A NEW CONTRACT END DATE OF JUNE 30, 2024**

WHEREAS, the San Francisco International Airport (Airport) requires regular preventative maintenance, repair, and on-call services for approximately 184 elevators to keep the equipment in a safe and reliable condition, and to extend the equipment lifespan; and

WHEREAS, on December 18, 2018, by Resolution No. 18-0398, the Commission authorized the Director to issue a Request for Proposals for Contract No. 50204 for Elevator Maintenance, Repair, and On-Call Services; and

WHEREAS, on May 7, 2019, by Resolution No. 19-0099, the Commission awarded Contract No. 50204, Elevator Maintenance, Repair, and On-Call Services to thyssenkrupp Elevator Corporation, for a term of two years in an amount not to exceed \$9,682,912; and

WHEREAS, on July 1, 2020, through Modification No.1, the Airport administratively modified the Contract to reduce unit prices for preventative maintenance, adjust the preventative maintenance schedule, and update standard contractual terms; and

WHEREAS, effective February 25, 2021, thyssenkrupp Elevator Corporation changed its name to TK Elevator Corporation; and

WHEREAS, the Airport desires to extend the term of Contract No. 50204 through June 30, 2024, and increase the contract amount to allow for the continued performance of preventative maintenance, repairs, and on-call services for Airport elevators; now, therefore, be it

RESOLVED, that this Commission hereby approves Modification No. 2 to increase the contract amount by \$12,600,000 for a new total not-to-exceed amount of \$22,282,912 and to extend the contract term by three years for a new end date of June 30, 2024; and, be it further

RESOLVED, that the Commission Secretary is hereby directed to seek Board of Supervisors' approval of Modification No. 2 to Contract No. 50204 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* \_\_\_\_\_

MAY - 4 2021

  
\_\_\_\_\_  
Secretary



**MEMORANDUM**

May 4, 2021

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

21-0105

MAY - 4 2021

FROM: Airport Director

SUBJECT: Approval of Modification No. 2 to Contract No. 50204 with TK Elevator Corporation for Elevator Maintenance, Repair, and On-Call Services

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 2 TO CONTRACT NO. 50204 WITH TK ELEVATOR CORPORATION, FOR ELEVATOR MAINTENANCE, REPAIR, AND ON-CALL SERVICES, TO INCREASE THE CONTRACT AMOUNT BY \$12,600,000 FOR A NEW NOT-TO-EXCEED CONTRACT AMOUNT OF \$22,282,912, AND TO EXTEND THE TERM OF THE CONTRACT BY THREE YEARS FOR A NEW CONTRACT END DATE OF JUNE 30, 2024.

**Executive Summary**

TK Elevator Corporation (TKE), formerly known as thyssenkrupp Elevator Corporation, provides maintenance and repair services for approximately 184 elevators throughout the San Francisco International Airport (Airport), as well as needed overhauls of older units to increase equipment lifespan and postpone capital replacement. TKE has performed satisfactorily through the initial contract term, and Staff now seeks Commission authorization to extend the contract by three years to a new contract end date of June 30, 2024, and to increase the contract amount by \$12,600,000 for a new not-to-exceed contract amount of \$22,282,912.

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

**Background**

On December 18, 2018, by Resolution No. 18-0398, the Commission approved the scope, budget, and schedule for Contract No. 50204 for Elevator Walk Maintenance, Repair, and On-Call Services and authorized the Director to issue a Request for Proposals.

THIS PRINT COVERS CALENDAR ITEM NO. 6

On May 7, 2019, by Resolution No. 19-0099, the Commission awarded professional services Contract No. 50204 to thyssenkrupp Elevator Corporation for a term of two years and in an amount not to exceed \$9,682,912. In requesting the award, Airport staff informed the Commission that should the contractor and contract mechanism be acceptable, Staff could return with a recommendation to renew the contract for three years at a new monthly rate.

On July 1, 2020, through Modification No. 1, the Airport administratively modified the Contract in response to the financial impact from the COVID-19 crisis to: (1) reduce unit prices by five percent for preventative maintenance, (2) adjust the preventative maintenance schedule, and (3) update standard contractual terms.

Effective February 25, 2021, thyssenkrupp Elevator Corporation changed its name to TK Elevator Corporation.

As the Airport and TKE near the end of the initial two-year contract term, Staff recognizes that TKE has performed satisfactory work on maintaining and repairing the Airport's elevators. Consequently, Staff now recommends the Commission extend the contract term by three years for a new contract end date of June 30, 2024, and increase the contract amount by \$12,600,000 for a new not-to-exceed contract amount of \$22,282,912. This increase will allow TKE to continue to perform preventative maintenance, as well as major repairs and overhauls on the Airport's elevators.

In light of the COVID-19 crisis and its impact on Airport finances, Staff has negotiated with TKE an additional twelve percent reduction of all unit prices for preventative maintenance under this contract, effective for the entire three-year extension.

Because Modification No. 2 would cause the contract amount to exceed \$10,000,000, the Board of Supervisors must approve Modification No. 2 to Contract No. 50204 pursuant to San Francisco Charter Section 9.118(b).

### **Recommendation**

I recommend the Commission approve Modification No. 2 to Contract No. 50204 for Elevator Maintenance, Repair, and On-Call Services to TK Elevator Corporation, increasing the contract amount by \$12,600,000 for a new not-to-exceed amount of \$22,282,912, and extending the contract term by three years for a new contract end date of June 30, 2024.



Ivar C. Satero  
Airport Director

Prepared by: Leroy P. Sisneros  
Director of Facilities



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 19-0099

**AWARD OF CONTRACT NO. 50204, ELEVATOR MAINTENANCE, REPAIR, AND ON-CALL SERVICE, TO THYSSENKRUPP ELEVATOR CORPORATION**

- WHEREAS, the Airport requires regular preventative maintenance, repair, and on-call emergency services for approximately 184 elevators to keep the equipment in a safe and reliable condition, and to extend the equipment's life; and
- WHEREAS, on December 18, 2018, by Resolution No. 18-0398, the Commission authorized Staff to issue a Request for Proposals (RFP); and
- WHEREAS, on January 31, 2019, Airport staff issued the RFP; and
- WHEREAS, on March 8, 2019, Airport staff received three proposals and determined that all three proposals met the minimum qualifications of the RFP; and
- WHEREAS, the Airport convened a selection panel to review and score the proposals based on the criteria outlined in the RFP. After dividing each bid by the proposer's score, KONE Inc. was determined to be the highest ranked proposer; and
- WHEREAS, KONE Inc. was not eligible for award based on its written first choice selection of Contract No. 50205, Escalator and Electric Walk Maintenance, Repair, and On-Call Service; and
- WHEREAS, thyssenkrupp Elevator Corporation was determined to be next the highest ranked proposer eligible for award; now, therefore, be it
- RESOLVED, that the Commission hereby awards Contract No. 50204, Elevator Maintenance, Repair, and On-Call Service, to thyssenkrupp Elevator Corporation, in an amount not to exceed \$9,682,912 for a two-year term commencing July 1, 2019.

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

MAY - 7 2019

  
Secretary



**MEMORANDUM**

May 7, 2019

19-0099

TO: AIRPORT COMMISSION  
Hon. Larry Mazzola, President  
Hon. Linda S. Crayton, Vice President  
Hon. Eleanor Johns  
Hon. Richard J. Guggenhime  
Hon. Malcolm Yeung

MAY - 7 2019

FROM: Airport Director

SUBJECT: Award of Contract No. 50204 for Elevator Maintenance, Repair, and On-Call Service to thyssenkrupp Elevator Corporation

DIRECTOR'S RECOMMENDATION: AWARD OF CONTRACT NO. 50204, ELEVATOR MAINTENANCE, REPAIR, AND ON-CALL SERVICE TO THYSSENKRUPP ELEVATOR CORPORATION, IN AN AMOUNT NOT TO EXCEED \$9,682,912 FOR A TWO-YEAR TERM COMMENCING JULY 1, 2019, WITH A POTENTIAL THREE-YEAR RENEWAL.

**Executive Summary**

Attached for this Commission's consideration is a resolution awarding Contract No. 50204 for Elevator Maintenance, Repair, and On-Call Service to thyssenkrupp Elevator Corporation. This contract will provide services to be performed 24 hours per day, 7 days a week, and 365 days per year for maintenance, repair, parts, and emergency services for approximately 184 elevators at the Airport.

**Background**

By Resolution No. 18-0398, dated December 18, 2018, this Commission authorized a Request for Proposals (RFP) for Contract No. 50204 to provide regular preventative maintenance, repair, and on-call services on a campus-wide basis for all elevators at the Airport.

On December 26, 2018, the Contract Monitoring Division approved a waiver of the Administrative Code Chapter 14B Local Business Enterprise subcontracting requirements due to the absence of any subcontracting opportunities.

On January 31, 2019, Airport staff issued the RFP. The RFP provided for a fixed "all-inclusive" monthly rate covering all maintenance activities, equipment, supplies, permits, and any related costs,

THIS PRINT COVERS CALENDAR ITEM NO. 3

with an initial contract term of two years plus a potential single three-year renewal of services, exercisable at the discretion of this Commission. Airport staff will use the initial contract term to monitor and evaluate the quality of the services provided and determine the viability of the “all-inclusive” approach. Should the contractor and contract mechanism be deemed acceptable, Airport staff will return to this Commission with a recommendation to renew the contract for three years at a new monthly rate, escalated in accordance with existing requirements and against the appropriate inflation indexes.

Additionally, this RFP was issued concurrently with the RFP for Contract No. 50205 for Escalator and Electric Walk Maintenance, Repair, and On-Call Service. As stated in both RFPs, the Airport’s intent was to award the two contracts to two separate contractors to maintain the required level of service, and any proposers bidding on both RFPs were required to submit with their proposal a letter stating their first choice between Contracts No. 50204 and 50205. A firm achieving the highest rank for both RFPs would be awarded their first choice contract, and the remaining contract would be awarded to the proposer with the next highest rank on the corresponding RFP.

The Airport used the best value procurement process to rank the proposers. Best value procurements are authorized under a recent amendment to San Francisco Administrative Code Chapter 6. The best value process allows for award of a contract to the responsible bidder whose responsive bid provides the best value to the City. Bidders submit both a sealed bid and qualitative information for evaluation by a selection panel. To determine best value, the department divides each bid by the qualitative score received from the panel; the quotient is the “cost per quality point.” The bidder offering the greatest value to the Airport—or the lowest quotient of cost and quality—is then recommended for award.

On February 12, 2019, Airport staff conducted the pre-proposal conference which was attended by four companies.

On March 8, 2019, Airport staff received three proposals and all three proposals were determined to have met the minimum qualifications of the RFP. Staff convened a selection panel consisting of one Airport Commission employee, one employee from another City & County of San Francisco Department, and one employee from another airport.

Based on the bids and the panel’s review, the firms were ranked as follows:

Rank and Proposer	Bid Amount	Evaluation Score	Best Value Quotient (\$/Point)
1. KONE Inc.	\$ 7,818,136.00	635	12,312.03
2. thyssenkrupp Elevator Corp.	\$ 9,682,912.00	681	14,218.67
3. Schindler Elevator Co.	\$12,476,596.24	626	19,930.66

KONE Inc. was determined to be the highest ranked proposer with the lowest best value quotient for both Contracts No. 50204 and 50205. At the time of proposal, KONE Inc. identified Contract No. 50205 as its first choice, and as the next highest ranked proposer, thyssenkrupp Elevator Corporation was eligible for award of Contract No. 50204.

On March 29, 2019, Airport staff issued their notice of intent to award this contract. The five working-day protest period expired on April 5, 2019. No protests were filed.

**Recommendation**

I recommend the Commission award Contract No. 50204 for Elevator Maintenance, Repair, and On-Call Service to thyssenkrupp Elevator Corporation in an amount not to exceed \$9,682,912 for a two-year term commencing July 1, 2019.



Ivar C. Satero  
Airport Director

Prepared by: Leroy P. Sisneros  
Director of Facilities

Attachment



San Francisco International Airport

May 4, 2021

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

Subject: Approval of Modification No. 2 Professional Services Contract No. 50204 for Elevator Maintenance, Repair, and On-Call Services, between TK Elevator Corporation. 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 the Board of Supervisors a proposed Resolution approving Modification No. 2 to Professional Services Contract No. 50204 for Elevator Maintenance, Repair, and On-all Services, between TK Elevator Corporation and the City and County of San Francisco, acting by and through its Airport Commission. Modification No. 2 increases the contract amount by \$12,600,000 for a new total contract amount not to exceed \$22,282,912, with no change to the contract term.

The following is a list of accompanying documents:

- Board of Supervisors Resolution;
- Approved Airport Commission Resolution No. 21-0105 and the accompanying memorandum;
- Approved Airport Commission Resolution No. 19-0099 and the accompanying memorandum;
- Form SFEC-126 (Board of Supervisors) for TK Elevator Corporation.;
- Copy of Contract No. 50204 and Modification No. 1; and
- Copy of Modification No. 2 to Contract No. 50204, executed by TK Elevator Corporation.

Please contact Cathy Widener, Airport Government Affairs at [cathy.widener@flysfo.com](mailto:cathy.widener@flysfo.com) or (650) 821-5023 if you have any questions or concerns regarding this matter.

Very truly yours,

*Kantrice Ogletree/s/*

Kantrice Ogletree  
Commission Secretary

Enclosures

cc: Timothy Hatfield, Mechanical Maintenance  
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

Post Office Box 8097 San Francisco, California 94128 Tel 650.821.5000 Fax 650.821.5005 www.flysfo.com



## 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](mailto:ethics.commission@sfgov.org) . [www.sfethics.org](http://www.sfethics.org)

Received On:

File #: 210526

Bid/RFP #:

### 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

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

#### 2. CITY ELECTIVE OFFICE OR BOARD

<b>OFFICE OR BOARD</b>	<b>NAME OF CITY ELECTIVE OFFICER</b>
Board of Supervisors	Members

#### 3. FILER'S CONTACT

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

#### 4. CONTRACTING DEPARTMENT CONTACT

<b>NAME OF DEPARTMENTAL CONTACT</b>	<b>DEPARTMENT CONTACT TELEPHONE NUMBER</b>
Cathy widener	650-821-5023
<b>FULL DEPARTMENT NAME</b>	<b>DEPARTMENT CONTACT EMAIL</b>
AIR Airport Commission	cathy.widener@flysfo.com

5. CONTRACTOR	
<b>NAME OF CONTRACTOR</b> TK Elevator Corporation	<b>TELEPHONE NUMBER</b> 415-241-4525
<b>STREET ADDRESS (including City, State and Zip Code)</b> 292 Lawrence Avenue, San Francisco, CA 94080	<b>EMAIL</b>

6. CONTRACT		
<b>DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)</b>	<b>ORIGINAL BID/RFP NUMBER</b>	<b>FILE NUMBER (If applicable)</b> 210526
<b>DESCRIPTION OF AMOUNT OF CONTRACT</b> \$22,282,912		
<b>NATURE OF THE CONTRACT (Please describe)</b> This contract provides for preventative maintenance, repair, and on-call services for the Airport's approximately 184 elevators.		

7. COMMENTS
Original Ct. NTE \$9,682,912 Mod 1 no change in costs Mod 2 NTE \$22,282,912

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	walker/TKE/Contractor	Peter	CEO
2	Keles/TKE Contractor	Ercan	CFO
3	Della valle/TKE/Contractor	Vincent	COO
4	Hunsdiek/TKE/Contractor	Detlef	Other Principal Officer
5	Lotter/TKE/Contractor	Hans-Hermann	Board of Directors
6	Garbe/TKE/Contractor	Jan-Nicolas	Board of Directors
7	Schick/TKE/Contractor	Bruno	Board of Directors
8	Bender/TKE/Contractor	wilhelm	Board of Directors
9	Pettersson/TKE/Contractor	Pontus	Board of Directors
10	Vega/TKE/Contractor	Paul	Board of Directors
11	Giesler/TKE/Contractor	Knut	Board of Directors
12	Gross/TKE/Contractor	Jurgen	Board of Directors
13	Krause/TKE/Contractor	wolfgang	Board of Directors
14	Triantafillidis/TKE/Contra	Georgios	Board of Directors
15	Goretzki/TKE/Contractor	Markus	Board of Directors
16	Herberger/TKE/Contractor	Susanne	Board of Directors
17	Kruse/TKE/Contractor	Jorn	Board of Directors
18	Tufekci/TKE/Contractor	Yusuf	Board of Directors
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
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**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
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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><b>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</b></p>  <p>BOS Clerk of the Board</p>	<p><b>DATE SIGNED</b></p>
---	---------------------------