

File No. 180422

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date July 19, 2018

Board of Supervisors Meeting

Date _____

Cmte Board

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

OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|--------------------------|--------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Airport Commission Resolution</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Linda Wong Date July 13, 2018

Completed by: Linda Wong Date _____

1 [Airport Professional Services Agreement Modification - WCME JV - Terminal 3 West
2 Modernization Project - Not to Exceed \$14,000,000, and Further Modifications Not to
3 Exceed \$60,000,000]

4 **Resolution approving Modification No. 4 to Airport Contract 10071.41, Project**
5 **Management Support Services for the Terminal 3 West Modernization Project, between**
6 **WCME JV, and the City and County of San Francisco, acting by and through its Airport**
7 **Commission, for a total amount not to exceed \$14,000,000 for services, extending the**
8 **term by seven months, for a total term of April 4, 2017, through April 4, 2019, pursuant**
9 **to Charter, Section 9.118(b); and approving an amount not to exceed of \$60,000,000 for**
10 **further modifications.**

11
12 WHEREAS, The Terminal 3 West Modernization Project ("Project") will renovate the
13 western half of Terminal 3 and construct a building expansion that will upgrade seismic
14 performance, replace building systems, improve passenger flow, provide a new concessions
15 program and allow flexibility to accommodate both international and domestic flights by
16 reconstructing necessary aircraft systems and apron pavement and building a new sterile
17 connector to the International Terminal; the Project will also provide a consolidated baggage
18 handling system and replace the façade of Terminal 3; and

19 WHEREAS, On February 16, 2016, by Resolution No. 16-0053, the Commission
20 awarded Contract 10071.41, Project Management Support Services for the Terminal 3 West
21 Modernization Project ("Contract"), to WCME JV, in the not to exceed amount of \$8,100,000
22 and a term of one year for initial services; and

23 WHEREAS, The Contract scope of work includes design and construction
24 management services, project controls, contract administration, cost estimating services and
25

1 field inspection for the Project and for the Boarding Area F Passenger Boarding Bridge
2 Project, which has been deferred due to changes in the Airlines' aircraft fleet mix; and

3 WHEREAS, On March 21, 2017, by Resolution No. 17-0064, the Commission
4 approved Modification No. 1 to the Contract for an additional year of services through
5 April 3, 2018 with no change to the Contract amount; and

6 WHEREAS, On October 1, 2017, The Airport Director executed Modification No. 2 to
7 administratively modify the Contract to update the labor rates with no changes to the Contract
8 amount or term; and

9 WHEREAS, On October 3, 2017, the Commission awarded a design-build agreement
10 for the Project to Turner Construction Company; the design-build agreement is currently
11 forecasted to be \$710,500,000 at completion; and

12 WHEREAS, On March 6, 2018, by Resolution No. 18-0053, the Commission approved
13 Modification No. 3 and Modification No. 4 to the Contract, which together extend the Contract
14 for an additional year of services through April 4, 2019; and

15 WHEREAS, Modification No. 3 increases the Contract not to exceed amount
16 to \$9,990,000 for services through August 30, 2018; and

17 WHEREAS, Modification No. 4 increases the Contract not to exceed amount
18 to \$14,000,000 for services from September 1, 2018, through April 4, 2019; and

19 WHEREAS, The Airport Staff estimates the total amount of project management
20 support services required to support the delivery of the design-build project will not
21 exceed \$60,000,000 for seven years of services through April 4, 2023, under this Contract;
22 and

23 WHEREAS, Charter, Section 9.118(b) provides that the agreements entered into by a
24 department, board, or commission requiring anticipated expenditures by the City and County
25

1 of ten million dollars or more, shall be subject to approval by the Board of Supervisors by
2 Resolution; now, therefore, be it

3 RESOLVED, That the Board of Supervisors hereby approves Modification No. 4 to
4 Airport Contract No. 10071.41, Project Management Support Services for the Terminal 3 West
5 Modernization Project, with WCME JV, for a total amount not to exceed \$14,000,000; a copy
6 of Modification No. 4 is contained in Board of Supervisors' File No. 180422 along with the
7 Contract and all previously executed modifications; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes further
9 modifications to the Contract, upon Airport Commission approval, up to a not to exceed
10 amount of \$60,000,000 for services through April 4, 2023, provided any future modification
11 does not change other material terms of the Contract; and, be it

12 FURTHER RESOLVED, That within thirty (30) days of Modification No. 4 being fully
13 executed by all parties, the Commission shall provide the a copy to the Clerk of the Board for
14 inclusion in the official file.

Item 2
File 18-0422

Department:
San Francisco International Airport (Airport)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve Modification No. 4 to the contract between WCME JV and the Airport for project management services for the Terminal 3 West Modernization Project, (a) increasing the contract amount by \$4,010,000 from \$9,990,000 to \$14,000,000 (b) extending the contract from the current end date of August 30, 2018 to the new end date of April 4, 2019, resulting in a three year term from April 4, 2016 to April 4, 2019, and (c) authorizing the Airport to enter into future contract modifications without Board approval to increase the contract amount to \$60,000,000 and extend the contract term through April 4, 2023.

Key Points

- Terminal 3 of the San Francisco International Airport (Airport) built in the 1970s, is a seismically vulnerable facility. The Terminal 3 West Modernization Project includes renovating and expanding the western half of Terminal 3.
- After a competitive process, on February 16, 2016, the Airport Commission awarded a contract to WCME JV in an amount of \$8,100,000 from April 4, 2016 through April 3, 2017 to provide project management services to the Terminal 3 West Modernization Project. The contract has been amended three times, and Modification No. 3 increased the contract not to exceed amount to \$9,990,000 for services through August 30, 2018.

Fiscal Impact

- Of the \$14,000,000 contract not to exceed amount, \$13,370,000 are labor costs. The proposed project management services contract with WCME JV will be funded through the Airport's Ascent Capital Program. The total approved budget for the Terminal 3 West Modernization Project is \$786,800,000.

Policy Consideration

- The original budget for contracted project management services for the Project was \$48 million and the estimated contract term was 5½ years from approximately April 2016 to September 2021. The Airport extended the end date for the Project to April 2023, and increased the contract budget for project management services to \$60 million. Approval of future modifications of the contract to increase the contract to \$60 million, and extend the contract term by four years to April 4, 2023 without further Board of Supervisors is a policy matter for the Board of Supervisors.

Recommendations

- Approve the proposed Modification No. 4.
- Approval of future contract modifications without further Board of Supervisors approval is a policy matter for the Board.

MANDATE STATEMENT

City Charter Section 9.118 states that any contract entered into by a department, board or commission that requires expenditures of \$10 million or more, or modifications to such contracts that increase expenditures by \$500,000 or more, is subject to Board of Supervisors approval.

BACKGROUND

The San Francisco International Airport (Airport) has four terminals: Terminal 1, Terminal 2, Terminal 3, and the International Terminal. Terminal 3, built in the 1970s, is comprised of the main terminal building, which is separated into the eastern and western sides, and Boarding Area E and Boarding Area F. The Airport determined that Terminal 3 was a seismically vulnerable facility that was no longer capable of accommodating passenger growth. As Terminal 3 is a hub for the Airport's largest carrier, United Airlines, the Airport separated out the Terminal 3 improvements into Terminal 3 East Improvement Project and Terminal 3 West Modernization Project in order to allow the terminal to remain functional during construction.

In 2009, the Airport initiated the Terminal 3 East Improvement Project. The Airport completed the Boarding Area E Project in early 2014 and Terminal 3 East Improvement Project in late 2015. Under the current 5-year Capital Improvement Plan and the Airport Development Plan, the future projects in Terminal 3 include:

1. Terminal 3 West Modernization Project
2. Boarding Area F Passenger Boarding Bridge Project
3. Terminal 2 to Terminal 3 Secure Connector Project
4. Boarding Area F Improvements Project

In 2015, the Airport determined that in order to coordinate these projects and minimize the closure of gates, the Terminal 3 West Modernization Project and the Boarding Area F Boarding Bridge Project should be combined.

Terminal 3 West Modernization Project

The Terminal 3 West Modernization Project includes renovating and expanding the western half of Terminal 3, including upgrading building systems, passenger amenities, concessions reconstructing pavement, remediation of contaminated soil, and seismic retrofits. Also included is the renovation-and expansion of the Boarding Area F connector, construction of a consolidated Baggage-Handling System, replacement of the Terminal 3 building facade, and renovation of three existing sets of restrooms at Boarding Area F.

In August, 2015, the Airport Commission authorized a request for qualifications for project management services for the Terminal 3 West Modernization Project as well as the Boarding Area F Passenger Boarding Bridge Project. These services consisted of design and construction management, project controls, contract administration, cost estimating, and field inspection. In October 2015, the Airport received four proposals from four Joint Ventures.

The Airport convened a three-member selection panel, consisting of one Airport Commission employee and two members of the aviation and project management industry, to review and score the proposals. The proposals were evaluated based on the proposer’s experience and qualifications, organization, key personnel and project approach. Each proposer received a 10 percent Local Business Enterprise (LBE) incentive. Airport staff determined that one proposer did not receive a score on the Technical Proposal that was high enough to warrant being invited to the Oral Interview.

On November 5, 2015 the Selection Panel interviewed the three highest-ranked proposers, including key personnel, and appraised their qualifications. The results of the call for proposals are summarized in Table 1 below.

Table 1: Request for Qualifications Respondents and Final Scores

	Evaluation Score (out of 500)	LBE Rating Bonus	Final Score
WCME JV	466.3	10 %	513.0
T3 Associates (ASL, AGS, and PMA)	434.7	10 %	478.1
T3W Partners (Jacobs, The Allen Group, Avila)	403.3	10 %	443.7

Airport staff determined WCME JV to be the highest ranked respondent and entered into negotiations.

On February 16, 2016, the Airport Commission awarded a contract to WCME JV in an amount of \$8,100,000 for one year from April 4, 2016 through April 3, 2017 to provide project management services to the Terminal 3 West Modernization Project. At that time, staff estimated the total cost of the contract over 5½ years to be \$48,000,000. The Airport Commission approved the initial contract for one year, which would be renewed each year based on the Airport’s evaluation of WCME JV’s quality of work and performance. According to Ms. Geri Rayca, Manager of the Contract Management Unit at the Airport, the Airport’s practice is to authorize project management services contracts on an annual basis.

On March 21, 2017, the Commission approved Modification No. 1 to the project management services contract to renew the contract for the second year of services through April 3, 2018 with no increase in the contract amount. On October 1, 2017, the Airport Director executed Modification No. 2 administratively to update labor charges with no changes to the contract term or amount.

On March 6, 2018, the Airport Commission approved Modification No. 3 and Modification No. 4 to renew the contract for the third year. Modification No. 3 increased the contract not to exceed amount to \$9,990,000 for services through August 30, 2018, which is \$10,000 less than the threshold amount of \$10,000,000 requiring Board of Supervisors approval. Modification No. 4 increased the contract not to exceed amount to \$14,000,000 for services from September 1, 2018 through April 4, 2019; the increase in the contract amount to \$14,000,000 requires Board of Supervisors approval in accordance with Charter Section 9.118. According to the memorandum to the Airport Commission on March 6, 2018, the Airport staff presented two modifications to renew the contract for the third year simultaneously to allow services to

continue while the Airport sought Board of Supervisors approval for the remainder of the third year contract amount.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve Modification No. 4 to the contract between WCME JV and the Airport for project management services for the Terminal 3 West Modernization Project, (a) increasing the contract amount by \$4,010,000 from \$9,990,000 to \$14,000,000 and (b) extending the contract term by seven months for a total three year term from April 4, 2016 to April 4, 2019.

The proposed resolution would also authorize the Airport to enter into future contract modifications with WCME JV without Board of Supervisors approval to increase the contract amount from \$14,000,000 to \$60,000,000 and extend the contract term through April 4, 2023. According to Ms. Geri Rayca, Airport Contract Management Unit Manager, the Airport is requesting to increase the contract amount and extend the contract term without Board of Supervisors approval because the Airport anticipates further annual modifications for WCME JV to complete construction management work for the Terminal 3 West Modernization.

FISCAL IMPACT

Summary budget details for the contract not-to-exceed amount of \$14,000,000 are shown in Table 2 below.

Table 2: Contract Budget Services April 4, 2016 through April 4, 2019

Expenditure	Amount
Labor	\$13,290,000
Mark-up on sub-consultant labor costs ^a	80,000
Subtotal, labor costs	13,370,000
Other direct costs ^b	130,000
Mobilization ^c	500,000
Total	\$14,000,000

^a The contract between WCME JV and the Airport provides for approximately 30 percent of the total costs of \$14 million to be provided by sub-consultants, of which approximately 41 percent to be provided by Local Business Enterprise (LBE) sub-consultants. The Contract allows a markup by the prime consultant of 2 percent of sub-consultant labor costs, equal to approximately \$80,000.

^b Other direct costs consist of, but not limited to, facilitated partnering, staff badging, and supplies.

^c Mobilization covers the contractor’s initial costs to onboard project staff.

Of the \$14,000,000 contract not to exceed amount, \$13,370,000 are labor costs, including LBE sub-consultants, who will be working across 10 tasks, as shown in Table 3 below.

Table 3: Labor Costs by Task paid by the Airport to WCME JV April 4, 2016 to April 4, 2019

	Approximate Average Rate per Hour	Hours	Total
Overall Project Management	\$230	7,000	\$1,610,000
Design Management	\$170	8,000	1,360,000
Construction Management	\$150	8,000	1,200,000
System Specialization*	\$200	8,000	1,600,000
Project Controls	\$145	10,000	1,450,000
Document Control	\$85	10,000	850,000
Estimating	\$175	10,000	1,750,000
Inspection	\$155	3,000	465,000
Scheduling	\$185	3,000	555,000
Program Management	\$200	12,650	2,530,000
Total	\$167.86 (average)	79,650	\$13,370,000

*System specialization is performed by individual team members with expertise in (1) mechanical, electrical and plumbing; (2) airport special systems, (3) airfield and aircraft systems and (4) baggage handling systems.

According to Ms. Rayca, the Airport negotiated the hourly rates to ensure fair costs for appropriate level of staff for this project.

The proposed project management services contract with WCME JV will be funded through the Airport's Ascent Capital Program. As of June 30, 2018, the Airport has paid WCME JV \$6,736,553 for services, with projected expenditures of approximately \$9,600,000 through August 30, 2018.

The total approved budget for the Terminal 3 West Modernization Project is \$786,800,000, including the \$14,000,000 contract with WCME JV for project management services, is detailed in Table 4 below.

Table 4: Project Total

Activity	Approved Budget
Airport Design, Engineering, Permitting, and Other Soft Costs	\$19,800,000
Design-Build Contract (Designer Portion)	41,000,000
Design-Build Contract (Builder Portion)	594,000,000
Design-Build Contingency	84,000,000
Project Management	48,000,000
Total	\$786,800,000

To date, the Airport has spent \$13,270,034 and has encumbered an additional \$2,987,595 for a total of \$16,257,629 out of \$786,800,000. The Airport plans to spend the remaining \$770,542,371 by the end of the project in 2019.

POLICY CONSIDERATION

The original budget for contracted project management services for the Terminal 3 West Modification Project was \$48 million and the estimated contract term was 5½ years from

approximately April 2016 to September 2021. According to Ms. Rayca, the Airport extended the end date for the Terminal 3 West Modification Project by approximately 19 months to April 2023, and increased the contract budget for project management services to \$60 million, an increase of \$12 million or 25 percent, to account for changes to the Terminal 3 West Modification project. These changes include feedback from airlines, new Federal Aviation Administration regulations, and operational restrictions. According to Ms. Rayca, the project follows the Airport's reporting practices, which track budget, forecast, trends and changes on a monthly basis. The Airport has staff dedicated to cost and schedule tracking and reporting to prevent cost overruns. The details by fiscal year for the revised project management services contract budget of \$60,000,000 are shown in Table 5 below.

Table 5: Contract Budget Services by year from April 4, 2016 through April 4, 2023

Expenditure	2016-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
Labor	\$13,290,000	\$12,094,587	\$12,946,842	\$13,232,189	\$7,130,811	\$58,694,429
Mark-up on sub-consultant labor	80,000	67,318	72,143	73,738	39,172	332,371
Subtotal, labor costs	13,370,000	12,161,905	13,018,985	13,305,927	7,169,983	\$59,026,800
Other direct costs	130,000	85,800	85,800	85,800	85,800	473,200
Mobilization	500,000	0	0	0	0	500,000
Total	\$14,000,000	12,247,705	13,104,785	13,391,727	7,255,783	\$60,000,000

Ms. Rayca states that the total Terminal 3 West Modification project budget has not increased from the budget of \$786.8 million shown in Table 4 above. According to Ms. Rayca, although the contract with WCME JV has increased, the total project budget has not increased. The \$12,000,000 contract increase is covered by the project contingency. The contingency can still be used to pay for corresponding increases in other components, if necessary.

The Budget and Analyst recommends approval of Modification No. 4 to the contract between WCME JV and the Airport for project management services for the Terminal 3 West Modernization Project, (a) increasing the contract amount by \$4,010,000 from \$9,990,000 to \$14,000,000 and (b) extending the contract term by seven months for a total three year term from April 4, 2016 to April 4, 2019.

Approval of future modifications of the contract to increase the contract amount by \$46,000,000 to \$60,000,000, and extend the contract term by four years to April 4, 2023 without further Board of Supervisors is a policy matter for the Board of Supervisors.

RECOMMENDATIONS

1. Approve the proposed Modification No. 4.
2. Approval of future contract modifications without further Board of Supervisors approval is a policy matter for the Board.

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

Modification No. 4

Contract No. 10071.41
Project Management Support Services for
The Terminal 3 West Modernization Project

THIS MODIFICATION (this "Modification") is made as of March 6, 2018, in San Francisco, California, by and between WCME JV ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission, hereinafter referred to as "Commission."

RECITALS

- A. City and Contractor have entered into the Agreement (as defined below); and
- B. On February 16, 2016, by Resolution No. 16-0053, the Commission awarded this Agreement to the Contractor for an amount not-to-exceed \$8,100,000 for the first year of services; and
- C. On March 21, 2017, by Resolution No. 17-0064, the Commission approved the First Modification to extend the term of the contract by one year and make other administrative changes; and
- D. On October 1, 2017, the City and Contractor administratively modified the Second Modification to the Agreement to update the contractor's labor rates; and
- E. On March 6, 2018, by Resolution No. 18-0053, the Commission approved the Third Modification to the Contractor to increase the contract amount, extend the term of the agreement, and to update the contractor's labor rates; and
- F. City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the contract amount and to extend the term of the agreement; and
- G. On March 6, 2018, by Resolution No. 18-0053, the Commission approved this Modification to the Contractor to increase the contract amount by \$4,010,000 for a new contract amount not-to-exceed \$14,000,000 and to extend the term of the agreement to April 4, 2019; and
- H. On _____, by Resolution No. _____, the Board of Supervisors approved the Agreement under San Francisco Charter Section 9.118; and
- I. Approval for this Agreement was obtained when the Civil Service Commission approved PSC No. 40697-14/15 on June 27, 2016; and

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

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

1.1. Agreement. The term "Agreement" shall mean the Agreement dated **February 16, 2016** between Contractor and City, as amended by the:

Modification No. 1,	dated March 21, 2017, and
Modification No. 2,	dated October 1, 2017, and
Modification No. 3,	dated March 6, 2018.

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

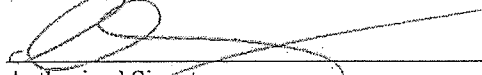
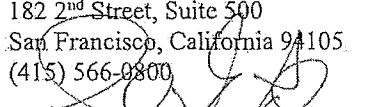
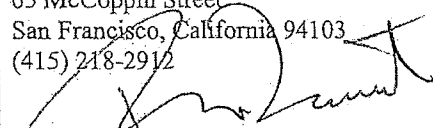
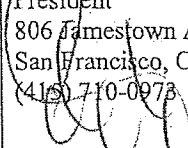
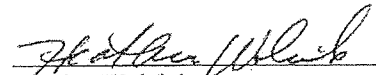
2. Section 2. Term of the Agreement is hereby amended to extend the term of the contract for a new ending date of April 4, 2019.

3. Section 5. Compensation is hereby amended to increase the total compensation payable by an amount not to exceed **Four Million Ten Thousand Dollars (\$4,010,000)** for a new total not to exceed amount of **Fourteen Million Dollars (\$14,000,000)**.

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

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

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

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	 Authorized Signature
By: _____ Ivar C. Satero, Airport Director	Clifford S. M. Wong President PGH Wong Engineering, Inc. 182 2 nd Street, Suite 500 San Francisco, California 94103 (415) 566-0800 
Attest:	Authorized Signature
By _____ Jean Caramatti, Secretary Airport Commission	Ismael G. Puga Cooper Puga Management, Inc. President 65 McCoppin Street San Francisco, California 94103 (415) 218-2912 
Resolution No: 18-0053	Authorized Signature
Adopted on: March 6, 2018	Brendan P. McDevitt MCK Americas, Inc. President 806 Jamestown Avenue San Francisco, California 94124 (415) 710-0973 
Approved as to Form:	Authorized Signature
Dennis J. Herrera City Attorney	Andrew Petreas Environmental & Construction Solutions, Inc. President 290 Division Street, Suite #307 San Francisco, California 94103 (415) 934-8790
By  Heather Wolnick Deputy City Attorney	City Vendor Number: 98846 City Supplier Number: 000008437
	Federal Employer ID Number: 810714202

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

Modification No. 3

Contract No. 10071.41
Project Management Support Services for
The Terminal 3 West Modernization Project

THIS MODIFICATION (this "Modification") is made as of March 6, 2018, in San Francisco, California, by and between WCME JV ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission, hereinafter referred to as "Commission."

RECITALS

- A. City and Contractor have entered into the Agreement (as defined below); and
- B. On February 16, 2016, by Resolution No. 16-0053, the Commission awarded this Agreement to the Contractor for an amount not-to-exceed \$8,100,000 for the first year of services; and
- C. On March 21, 2017, by Resolution No. 17-0064, the Commission approved the First Modification to extend the term of the contract by one year and make other administrative changes; and
- D. On October 1, 2017, the City and Contractor administratively modified the Second Modification to the Agreement to update the contractor's labor rates; and
- E. City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the contract amount, extend the term of the agreement, update Notices to the Parties, and to update the contractor's labor rates; and
- F. On March 6, 2018, by Resolution No. 18-0053, the Commission approved this Modification to the Contractor to increase the contract amount by \$1,890,000 for a new contract amount not-to-exceed \$9,990,000 and to extend the term of the agreement to August 30, 2018; and
- G. Approval for this Agreement was obtained when the Civil Service Commission approved PSC No. 40697-14/15 on June 27, 2016; and

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

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

1.1. **Agreement.** The term "Agreement" shall mean the Agreement dated February 16, 2016 between Contractor and City, as amended by the:

Modification No. 1, dated March 21, 2017, and
Modification No. 2, dated October 1, 2017.

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

2. **Section 2. Term of the Agreement** is hereby amended to extend the term of the contract for a new ending date of August 30, 2018.

3. **Section 5. Compensation** is hereby amended to increase the total compensation payable by an amount not to exceed **One Million Eight Hundred Ninety Thousand Dollars (\$1,890,000)** for a new total not to exceed amount of **Nine Million Nine Hundred Ninety Thousand Dollars (\$9,990,000)**.

4. **Section 11.1 Notices to the Parties**, is hereby deleted in its entirety and replaced with the following:

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:

By US Mail: Tania Gharechedaghy
Airport Project Manager
San Francisco International Airport
P.O. Box 8097
San Francisco, California 94128
Email: Tania.Gharechedaghy@flsfo.com
Fax: (650) 821-7838

By Personal Delivery
or Express Mail: Tania Gharechedaghy
Airport Project Manager
Planning, Design and Construction
San Francisco International Airport
710 N. McDonnell Road, 2nd Floor
San Francisco, California 94128

To Contractor: Simon Casey
Project Manager
PGH Wong Engineering, Inc.
182 2nd Street, Suite 500
San Francisco, CA 94105
Email: scasey@pghwong.com
Fax: (415) 566-6030

Any notice of default must be sent by registered mail delivered by an overnight delivery service or courier. 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.

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

a. Section 1.1 is hereby deleted in its entirety and replaced with the following:

1.1 As set forth in Article 3.3 "Compensation" of the Agreement, Compensation for work performed under Agreement will be on a time and materials basis, and/or a lump sum basis if approved by the Airport Project Manager.

b. Section 2.5 is hereby deleted in its entirety and replaced with the following:

2.5 All invoices shall be made in writing and delivered or mailed to the Airport at the mailing address listed in Article 11.1, Notice to the Parties, of the Agreement.

c. Section 3.5 Billing Rates is hereby deleted in its entirety and replaced with the following:

3.5 BILLING RATES

The following approved Billing Rate ranges are fully burdened, including direct labor rate, overhead, and a 10% fee:

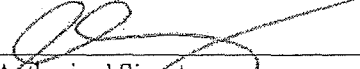
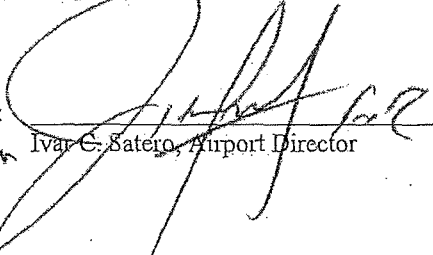

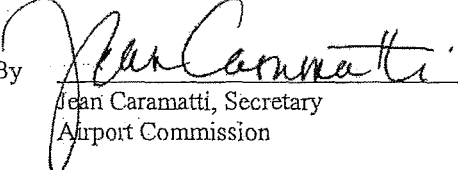
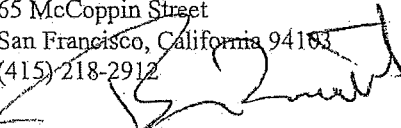
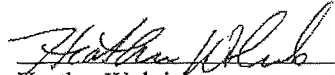
CLASSIFICATION	BILLING RATE	
	Home Office	Field Office
Administrative Assistant - FSH	\$93.81	\$84.22
Airfield and Aircraft Systems Manager	\$244.12	\$220.67
Airline Coordinator/Resident Engineer	\$234.53	\$211.07
Assistant Resident Engineer	\$191.88	\$175.89
Baggage Handling Manager	\$244.12	\$220.67
Concessions Coordinator	\$234.53	\$211.07
Constructability Reviewer	\$234.53	\$211.07
Construction Manager	\$273.97	\$248.38
Cost Control/Lead Office Engineer	\$191.88	\$175.89
Cost Estimator	\$211.07	\$191.88
Deputy Design Manager - SEP Coordinator	\$198.28	\$181.22
Design Manager	\$259.04	\$234.53
Document Control Manager	\$160.97	\$144.98
Environmental Technical Support	N/A	\$197.21
Field Engineer	\$152.44	\$137.52
Geotechnical Technical Support	N/A	\$197.21
Intern	\$93.81	\$84.22
Lab / Material Testing Technician	N/A	\$133.25
MEP Manager	\$244.12	\$220.67
Office Engineer	\$191.88	\$175.89
Project Controls Engineer	\$191.88	\$175.89
Project Controls Manager	\$259.04	\$234.53

Project Manager	\$289.96	\$262.24
QA Inspector	N/A	\$165.23
QA/QC/Code Compliance/Safety Manager	\$183.36	\$165.23
Resident Engineer	\$244.12	\$220.67
Scheduler	\$198.28	\$181.22
Senior Cost Estimator	\$244.12	\$234.53
Senior Inspector	N/A	\$202.54
Senior Scheduler	\$244.12	\$248.38
SEP Manager	\$244.12	\$220.67
Signage and Phasing Coordinator	\$234.53	\$211.07
Special Inspector	N/A	\$165.23
Special Inspector (OSHDP)	N/A	\$202.54
Special Systems Manager	\$289.96	\$262.24
Special Systems Support	\$211.07	\$191.88
Sustainability Manager	\$234.53	\$211.07
Tenant Space Coordinator	\$183.36	\$165.23
TSA OTA Technical Review	\$211.07	\$191.88

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

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

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

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	 Authorized Signature
By:  Ivan C. Satero, Airport Director	Clifford S. M. Wong President PGH Wong Engineering, Inc. 182 2 nd Street, Suite 500 San Francisco, California 94105 (415) 566-0800
Attest:	
By:  Jean Caramatti, Secretary Airport Commission	Authorized Signature Ismael G. Puga Cooper Puga Management, Inc. President 65 McCoppin Street San Francisco, California 94103 (415) 218-2912
Resolution No: 18-0053	
Adopted on: March 6, 2018	Authorized Signature
Approved as to Form:	Brendan P. McDevitt MCK Americas, Inc. President
Dennis J. Herrera City Attorney	806 Jamestown Avenue San Francisco, California 94124 (415) 710-0973
By:  Heather Wolnick Deputy City Attorney	Authorized Signature Andrew Petreas Environmental & Construction Solutions, Inc. President
	290 Division Street, Suite #307 San Francisco, California 94103 (415) 934-8790 City Vendor Number: 98846 City Supplier Number: 0000008437 Federal Employer ID Number: 810714202

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

Second Modification

Contract No. 10071.41
Project Management Support Services for
The Terminal 3 West Modernization Program

THIS MODIFICATION (this "Modification") is made as of **October 1, 2017**, in San Francisco, California, by and between **WCME JV** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission, hereinafter referred to as "**Commission.**"

RECITALS

- A. City and Contractor have entered into the Agreement (as defined below); and
- B. On February 16, 2016, by Resolution No. 16-0053, the Commission awarded this Agreement to the Contractor for an amount not-to-exceed \$8,100,000 for the first year of services; and
- C. On March 21, 2017, by Resolution No. 17-0064, the Commission approved the First Modification to extend the term of the contract by one year and make other administrative changes; and
- D. City and Contractor desire to administratively modify the Agreement on the terms and conditions set forth herein to update the contractor's labor rates; and
- E. Approval for this Agreement was obtained when the Department of Human Resources approved PSC No. 40697-14/15 on June 27, 2016; and

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

- 1. **Definitions.** The following definitions shall apply to this Modification:
 - a. **Agreement.** The term "Agreement" shall mean the Agreement dated **February 16, 2016** between Contractor and City, as amended by the:

First Modification, dated March 21, 2017.
 - b. **Other Terms.** Terms used and not defined in this Modification shall have the meanings assigned to such terms in the Agreement.
- 2. **Section 11.15.7 Title VI List of Pertinent Nondiscrimination Acts and Authorities** is hereby deleted in its entirety and replaced with the following:

11.15.7 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.*).

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

a. **Paragraph 3.1.2**, is hereby deleted in its entirety and replaced with the following:

The approved fully-burdened labor rates stated Article 3.5 of this Agreement shall remain in effect for the first year of contract services. As, at the option of the Commission, this is a multi-year contract, the Airport may approve an annual

adjustment to the direct hourly labor rates effective on the anniversary date of this Agreement, based on an increase in the Consumer Price Index for the preceding twelve (12) months for the San Francisco Bay Area as published by the U.S. Department of Labor, Bureau of Labor Statistics, under the title of: "All Urban Consumers – San Francisco/Oakland/San Jose, California." Adjustments in the rates are subject to prior written approval by the Airport and must be included in a written modification to the Agreement before any increase labor rate is incurred, unless the adjustment is made to meet the requirements of prevailing or minimum wage legislative mandates.

b. Section 3.2 Overhead Rates, is hereby deleted in its entirety and replaced with the following:

3.2. Overhead Rates

3.2.1 The Airport shall pay the lesser of a firm's current audited overhead rates, or the maximum approved overhead rates as follows:

Firm Name	Home Office Overhead Rate	Field Office Overhead Rate
PGH Wong Engineering, Inc.	125.00%	125.00%
Cooper Pugaeda Management, Inc.	110.00%	110.00%
MCK Americas, Inc.	119.95%	119.95%
Environmental & Construction Solutions, Inc.	120.00%	120.00%
AECOM Technical Services, Inc.	158.03%	128.10%
Apex Testing Laboratories, Inc.	163.20%	150.00%
Chaves & Associates	145.00%	145.00%
CM Pros	166.93%	145.00%
Hollins Consulting, Inc.	120.00%	120.00%
Saylor Consulting Group	125.12%	125.12%
Urban Fabrick, Inc.	140.00%	140.00%

3.2.2 Contractor shall submit to the Airport current certified reviewed financial audit report(s) of overhead cost rates for home and/or field office rates upon request for a change or addition to the approved overhead rates stated in this Paragraph 3.2.

3.2.3 The home office indirect cost rate shall be used when staff works in an office provided by the Contractor. The field office indirect cost rate shall be used when staff is assigned full time to an office provided by the Airport. To qualify for the field office indirect cost rate the Commission shall provide office spaces, utilities, telephone service, internet access, and computers.

c. Section 3.5 Billing Rates, is hereby deleted in its entirety and replaced with the following:

3.5 BILLING RATES

The following approved fully burdened Billing Rates, includes base rate, overhead rate and 10% fee:

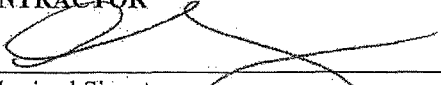
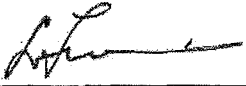
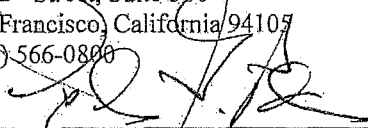
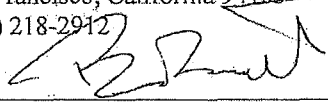
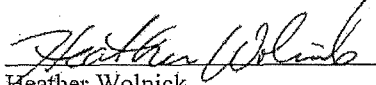
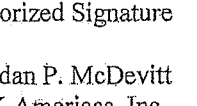
CLASSIFICATION	BILLING RATE	
	Home Office	Field Office
Administrative Assistant - FSH	\$91.34	\$82.00
Airfield and Aircraft Systems Manager	\$237.70	\$214.87
Airline Coordinator/Resident Engineer	\$228.36	\$205.52
Assistant Resident Engineer	\$186.84	\$171.27
Baggage Handling Manager	\$237.70	\$214.87
Concessions Coordinator	\$228.36	\$205.52
Constructability Reviewer	\$228.36	\$205.52
Construction Manager	\$266.77	\$241.85
Cost Control/Lead Office Engineer	\$186.84	\$171.27
Cost Estimator	\$205.52	\$186.84
Deputy Design Manager - SEP Coordinator	\$193.07	\$176.46
Design Manager	\$252.23	\$228.36
Document Control Manager	\$156.74	\$141.17
Environmental Technical Support	N/A	\$192.03
Field Engineer	\$148.43	\$133.90
Geotechnical Technical Support	N/A	\$192.03
Intern	\$91.34	\$82.00
Lab / Material Testing Technician	N/A	\$129.75
MEP Manager	\$237.70	\$214.87
Office Engineer	\$186.84	\$171.27
Project Controls Engineer	\$186.84	\$171.27
Project Controls Manager	\$252.23	\$228.36
Project Manager	\$282.34	\$255.35
QA Inspector	N/A	\$160.89
QA/QC/Code Compliance/Safety Manager	\$178.54	\$160.89
Resident Engineer	\$237.70	\$214.87
Scheduler	\$193.07	\$176.46
Senior Cost Estimator	\$237.70	\$228.36
Senior Inspector	N/A	\$197.22
Senior Scheduler	\$237.70	\$241.85
SEP Manager	\$237.70	\$214.87
Signage and Phasing Coordinator	\$228.36	\$205.52
Special Inspector	N/A	\$160.89
Special Inspector (OSHPD)	N/A	\$197.22
Special Systems Manager	\$282.34	\$255.35
Special Systems Support	\$205.52	\$186.84
Sustainability Manager	\$228.36	\$205.52
Tenant Space Coordinator	\$178.54	\$160.89

TSA OTA Technical Review	\$205.52	\$186.84
--------------------------	----------	----------

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

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

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

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	 Authorized Signature
By:  Ivar C. Satero, Airport Director	Clifford S. M. Wong President PGH Wong Engineering, Inc. 182 2 nd Street, Suite 500 San Francisco, California 94103 (415) 566-0800 
Approved as to Form: Dennis J. Herrera City Attorney	Authorized Signature Ismael G. Pugada Cooper Pugada Management, Inc. President 65 McCoppin Street San Francisco, California 94103 (415) 218-2912 
By:  Heather Wolnick Deputy City Attorney	Authorized Signature Brendan P. McDevitt MCK Americas, Inc. President 806 Jamestown Avenue San Francisco, California 94124 (415) 710-0973 
	Authorized Signature Andrew Petreas Environmental & Construction Solutions, Inc. President 290 Division Street, Suite #307 San Francisco, California 94103 (415) 934-8790 City Vendor Number 98846 Supplier ID #0000008437 810714202 Federal Employer ID Number

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

First Modification

Contract No. 10071.41
Project Management Support Services for
The Terminal 3 West Modernization Program

THIS MODIFICATION (this "Modification") is made as of **March 21, 2017**, in San Francisco, California, by and between **WCME JV** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission or the Commission's designated agent, hereinafter referred to as "**Commission**."

RECITALS

- A. City and Contractor have entered into the Agreement (as defined below); and
- B. On February 16, 2016, by Resolution No. 16-0053, the Commission awarded this Agreement to the Contractor for an amount not-to-exceed \$8,100,000 for the first year of services; and
- C. City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the term of the agreement and make other administrative changes; and
- D. On March 21, 2017, by Resolution No. 17-0064, the Commission approved this Modification to the Contractor to extend the term of the contract by one year; and
- E. Approval for this Agreement was obtained when the Department of Human Resources approved PSC No. 40697-14/15 on June 27, 2016; and

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

- 1. **Definitions.** The following definitions shall apply to this Modification:
 - a. **Agreement.** The term "Agreement" shall mean the Agreement dated **February 16, 2016** between Contractor and City.
 - b. **Other Terms.** Terms used and not defined in this Modification shall have the meanings assigned to such terms in the Agreement.
- 2. **Section 2. Term of the Agreement** is hereby amended to extend the term of the contract for one **(1) additional year** for a new ending date of **April 3, 2018**.

Section 11.15. Federal Non-Discrimination Provisions is hereby deleted in its entirety and replaced with the following:

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

11.15.1 Compliance with Regulations. Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.

11.15.2 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 part 21.

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

11.15.4 Information and Reports. Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Airport or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Airport or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

11.15.5 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.

11.15.6 Incorporation of Provisions. Contractor will include the provisions of paragraphs 11.15.1 through 11.15.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Contractor will take action with respect to any subcontract or procurement as the Airport or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Contractor becomes involved in, or is threatened with litigation by a

subcontractor, or supplier because of such direction, Contractor may request the Airport to enter into any litigation to protect the interests of the Airport. In addition, Contractor may request the United States to enter into the litigation to protect the interests of the United States.

11.15.7 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 U.S.C. § 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 U.S.C. § 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 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 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 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 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 Fed. Reg. 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 U.S.C. 1681 et seq).

4. **New Section 11.17. Airport Commission Rules and Regulations** is hereby added to read as follows:

11.17 Airport Commission Rules and Regulations. Contractor agrees to comply with the Airport Commission's Rules and Regulations for the San Francisco International Airport as amended from time to time. A copy of the current Rules and Regulations can be found at: <http://www.flysfo.com/about-sfo/the-organization/rules-and-regulations>.

5. **New Section 11.18. Federal Fair Labor Standard Act** is hereby added to read as follows:

11.18 Federal Fair Labor Standards Act. This Agreement incorporates by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers. Contractor has full responsibility to monitor compliance to the referenced statute or regulation. Contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

6. **New Section 11.19. Occupational Safety and Health Act of 1970** is hereby added to read as follows:

11.19 Occupational Safety and Health Act of 1970. This Agreement incorporates by reference the requirements of 29 CFR Part 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 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

7. **Appendix B, Calculation of Charges**, is hereby amended as follows:

a. **The first introduction Paragraph** is hereby amended to change one of the Joint Venture contractor's business name from MCK Associates, LLC to MCK Americas, Inc. as follows:

This is Appendix B attached to, and incorporated by reference in the Agreement made on February 16, 2016 between the City and County of San Francisco, acting by and through its Airport Commission (Commission), and WCME JV, a Joint Venture of PGH Wong Engineering, Inc., Cooper Puga Management, Inc., MCK Americas, Inc., and Environmental & Construction Solutions, Inc. (Contractor) providing for Project Management Support Services for Terminal 3 West Modernization Project and Boarding Area F Passenger Boarding Bridge Project.

b. **Section 3.2 Overhead Rates**, is hereby deleted in its entirety and replaced with the following:

3.2. Overhead Rates

3.2.1 The approved overhead rates are:

Firm Name	Home Office Overhead Rate	Field Office Overhead Rate
PGH Wong Engineering, Inc.	125.00%	125.00%
Cooper Pugada Management, Inc.	110.00%	110.00%
MCK Americas, Inc.	125.00%	125.00%
Environmental & Construction Solutions, Inc.	120.00%	120.00%
AECOM Technical Services, Inc.	158.03%	128.10%
Apex Testing Laboratories, Inc.	163.20%	150.00%
Chaves & Associates	145.00%	145.00%
CM Pros	166.93%	145.00%
Hollins Consulting, Inc.	120.00%	120.00%
Saylor Consulting Group	125.12%	125.12%
Urban Fabrick, Inc.	140.00%	140.00%

3.2.2 Commission shall pay the lesser of Contractor's current audited overhead rates, or the maximum approved overhead rates stated above.

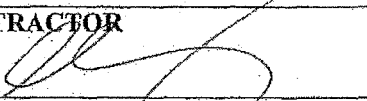
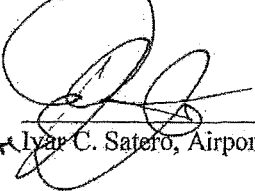
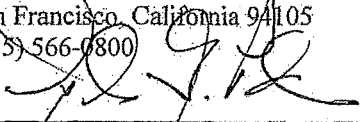
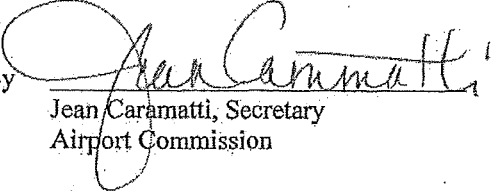

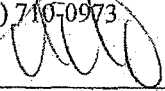
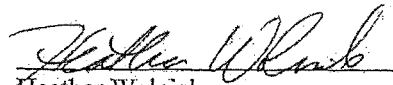
3.2.3 Contractor shall submit to the Commission current certified reviewed financial audit report(s) of overhead cost rates for home and/or field office rates prior to award of the Contract and upon request for a change or addition to the approved overhead rates stated in this Paragraph 3.2.

3.2.4 The home office indirect cost rate shall be used when staff works in an office provided by the Contractor. The field office indirect cost rate shall be used when staff is assigned full time to an office provided by the Commission. To qualify for the field office indirect cost rate the Commission shall provide office spaces, utilities, telephone service, internet access, and computers.

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

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

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

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	 Authorized Signature
By:  Ivan C. Satero, Airport Director	Clifford S. M. Wong President PGH Wong Engineering, Inc. 182 2 nd Street, Suite 500 San Francisco, California 94105 (415) 566-0800 
Attest:	Authorized Signature
By:  Jean Caramatti, Secretary Airport Commission	Ismael G. Puga Cooper Puga Management, Inc. President 65 McCoppin Street San Francisco, California 94103 (415) 218-2912 
Resolution No: 17-0064	Authorized Signature
Adopted on: March 21, 2017	Brendan P. McDevitt MCK Americas, Inc. President 806 Jamestown Avenue San Francisco, California 94124 (415) 710-0973 
Approved as to Form:	Authorized Signature
Dennis J. Herrera City Attorney	Andrew Petreas Environmental & Construction Solutions, Inc. President 290 Division Street, Suite #307 San Francisco, California 94103 (415) 934-8790 98846 City Vendor Number 810714202 Federal Employer ID Number
By:  Heather Wolnick Deputy City Attorney	

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

WCME JV

Contract No. 10071.41
Project Management Support Services for
The Terminal 3 West Modernization Program

This Agreement is made this 16th day of February, 2016, in the City and County of San Francisco, State of California, by and between: WCME JV, 182 2nd Street, Suite 500, San Francisco, California 94105 (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 enter into an agreement for Project Management Support Services for the Terminal 3 West Modernization Project and the Boarding Area F Passenger Boarding Bridge Project for the San Francisco International Airport (the "Airport" or "SFO"); and
- B. The Commission is authorized to enter into all contracts which relate to matters under its jurisdiction; and
- C. On April 7, 2015, the Commission issued a Request for Proposals ("RFP") and as a result of the selection process prescribed in the RFP and upon the recommendation of the Airport Director, the Commission determined that the Contractor was the qualified proposer receiving the highest evaluation score; and
- D. On February 16, 2016, by Resolution No. 16-0053, the Commission awarded this Agreement to the Contractor for an amount not-to-exceed \$8,100,000 for a one-year term with an option to extend; and
- E. The Local Business Entity ("LBE") subcontracting participation requirement for this Agreement is 20%; and
- F. Approval for this Agreement was obtained when the Civil Service Commission approved PSC No. 40697-14/15 on April 20, 2015; and
- G. The Contractor represents and warrants that it is qualified to perform the services required by City under this Agreement;

Now, THEREFORE, the parties agree as follows:

Article 1 Definitions

The following definitions apply to this Agreement:

1.1 "Agreement" means this contract document, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements which are specifically incorporated by reference into this Agreement.

1.2 "City" or "the City" means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration, referred to as "Purchasing," or the Director's designated agent, Airport Commission.

1.3 "CMD" means the Contract Monitoring Division of the City.

1.4 "Contractor" or "Consultant" means WCME JV, 182 2nd Street, Suite 500, San Francisco, California 94105.

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) April 4, 2016; or (ii) the Effective Date and expire on April 4, 2017, unless earlier terminated as otherwise provided in this Agreement.

2.2 The City has four options to renew the Agreement for an estimated total contract duration of five and one-half years. The City may extend this Agreement beyond the expiration date by exercising an option at the City's sole and absolute discretion and by modifying this Agreement as provided in Section 11.5, "Modification of this Agreement."

Article 3 Financial Matters

3.1 **Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of the City's Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City's obligation under this Agreement shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

3.2 **Guaranteed Maximum Costs.** The City's payment obligation to Contractor cannot at any time exceed the amount certified by City's Controller for the purpose and period stated in such certification. Absent an authorized Emergency per the City Charter or applicable Code, no City representative is authorized to offer or promise, nor is the City required to honor, any offered or promised payments to Contractor under this Agreement in excess of the certified maximum amount without the Controller having first certified the additional promised amount and the Parties having modified this Agreement as provided in Section 11.5, "Modification of this Agreement."

3.3 **Compensation.**

3.3.1 **Payment.** Contractor shall provide an invoice to the City on a monthly basis for Services completed in the immediate preceding month, unless a different schedule is set out in Appendix B, "Calculation of Charges." Compensation shall be made for Services identified in the invoice that the Airport Director, in his or her sole discretion, concludes has been satisfactorily performed. Payment shall be made within 30 calendar days of receipt of the invoice, unless the City notifies the Contractor that a dispute as to the invoice exists. In no event shall the amount of this Agreement exceed **Eight Million One Hundred Thousand Dollars (\$8,100,000)** for the term of the Agreement as set forth in section 2.1. The breakdown of charges associated with this Agreement appears in Appendix B, "Calculation of Charges," attached and incorporated by reference as though fully set forth in this Agreement. In no event shall City be liable for interest or late charges for any late payments.

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

3.3.3 Withholding Payments. If Contractor fails to provide Services consistent with Contractor's obligations under this Agreement, the City may withhold any and all payments due Contractor until such failure to perform is cured, and Contractor shall not stop work as a result of City's withholding of payments as provided in this Agreement.

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

3.3.5 LBE Payment and Utilization Tracking System. Contractor must submit all required payment information using the online LBE Utilization Tracking System (LBEUTS) as required by CMD to enable the City to monitor Contractor's compliance with the LBE subcontracting commitments in this Agreement. Contractor shall pay its LBE subcontractors within three (3) working days after receiving payment from the City, except as otherwise authorized by the LBE Ordinance. The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of all required CMD payment information. Failure to submit all required payment information to the LBEUTS with each payment request may result in the Controller withholding 20% of the payment due pursuant to that invoice until the required payment information is provided. Following City's payment of an invoice, Contractor has ten calendar days to acknowledge using the online LBEUTS that all subcontractors have been paid. Contractor shall attend a LBEUTS training session. LBEUTS training session schedules are available at www.sfgov.org/lbeuts.

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

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

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

3.4 Audit and Inspection of Records. Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its Services. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not fewer than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any Federal agency having an interest in the subject matter of this Agreement shall have the same rights as conferred upon City by this Section. Contractor shall include the same audit and inspection rights and record retention requirements in all subcontracts.

3.5 **Submitting False Claims; Monetary Penalties.** The full text of San Francisco Administrative Code §§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.

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."

4.2 **Qualified Personnel.** Contractor shall utilize only competent personnel under the supervision of, and in the employment of, Contractor (or Contractor's authorized subcontractors) to perform the Services. Contractor will comply with City's reasonable requests regarding assignment and/or removal of personnel, but all personnel, including those assigned at City's request, must be supervised by Contractor. Contractor shall commit adequate resources to allow timely completion within the project schedule specified in this Agreement.

4.3 **Subcontracting.** Contractor may subcontract portions of the Services only upon prior written approval of City. Contractor is responsible for its subcontractors throughout the course of the work required to perform the Services. All Subcontracts must incorporate the terms of Article 10 "Additional Requirements Incorporated by Reference" of this Agreement, unless inapplicable. Neither Party shall, on the basis of this Agreement, contract on behalf of, or in the name of, the other Party. Any agreement made in violation of this provision shall be null and void. City's execution of this Agreement constitutes its approval of the subcontractors listed below.

AECOM Technical Services, Inc.
Apex Testing Laboratories, Inc.
Chaves & Associates
CM Pros
Hollins Consulting, Inc.
Saylor Consulting Group
Urban Fabrick, Inc.

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

4.4.1 Independent Contractor. For the purposes of this Article 4, "Contractor" shall be deemed to include not only Contractor, but also any agent or employee of Contractor. Contractor acknowledges and agrees that at all times, Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor, its agents, and employees will not represent or hold themselves out to be employees of the City at any time. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor. Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement. Contractor agrees to maintain and make available to City, upon request and during regular business hours, accurate books and accounting records demonstrating Contractor's compliance with this section. Should City determine that Contractor, or any agent or employee of Contractor, is not performing consistent with the requirements of this Agreement, City shall provide Contractor with written notice of such failure. Within five (5) business days of Contractor's receipt of such notice, and consistent with Contractor policy and procedure, Contractor shall remedy the deficiency. If City believes that an action of Contractor, or any agent or employee of Contractor, warrants immediate remedial action by Contractor, City shall contact Contractor and provide Contractor in writing with the reason for requesting such immediate action.

4.4.2 Payment of Employment Taxes and Other Expenses. Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability). A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, Contractor agrees to indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all claims, losses, costs, damages, and expenses, including attorneys' fees, arising from this section.

4.5 Assignment. The Services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations may be assigned or delegated by Contractor unless

first approved by City by written instrument executed and approved in the same manner as this Agreement. Any purported assignment made in violation of this provision shall be null and void.

4.6 **Warranty.** Contractor warrants to City that the Services will be performed with the degree of skill and care that is required by current, good and sound professional procedures and practices, and in conformance with generally accepted professional standards prevailing at the time the Services are performed so as to ensure that all Services performed are correct and appropriate for the purposes contemplated in this Agreement.

4.7 **Liquidated Damages. NOT APPLICABLE**

4.8 **Bonding Requirements. NOT APPLICABLE**

Article 5 Insurance and Indemnity

5.1 Insurance.

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

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

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

(c) Commercial Automobile Liability Insurance with limits not less than \$2,000,000 each occurrence, "Combined Single Limit" for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(d) Professional liability insurance, applicable to Contractor's profession, with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with the Professional Services to be provided under this Agreement. If the Contractor is a Joint Venture, each member of the Joint Venture must maintain individual Professional Liability insurance and each policy must include 'Joint Venture' coverage but only for the liability arising out of the professional services performed by the Joint Venture member. The Contractor may be asked to provide all applicable policies for verification of coverage.

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. If the Contractor is a Joint Venture, each Joint Venture Partner's

policies must be endorsed to include each other Joint Venture partner AND the Joint Venture as additional insureds.

(b) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

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

5.1.4 Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

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

5.1.6 Before commencing any Services, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Approval of the insurance by City shall not relieve or decrease Contractor's liability.

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

5.1.8 If Contractor or any Joint Venture Partner will use any subcontractor(s) to provide Services, Contractor shall require the subcontractor(s) to provide all necessary insurance and to name the City and County of San Francisco, its officers, agents and employees and the Contractor as additional insureds.

5.2 **Indemnification.** Contractor shall indemnify and hold harmless City and its officers, agents and employees from, and, if requested, shall defend them from and against any and all claims, demands, losses, damages, costs, expenses, and liability (legal, contractual, or otherwise) arising from or in any way connected with any: (i) injury to or death of a person, including employees of City or Contractor; (ii) loss of or damage to property; (iii) violation of local, state, or federal common law, statute or regulation, including but not limited to privacy or personally identifiable information, health information, disability and labor laws or regulations; (iv) strict liability imposed by any law or regulation; or (v) losses arising from Contractor's execution of subcontracts that are inconsistent with the requirements of this Agreement applicable to subcontractors; so long as such injury, violation, loss, or strict liability (as set forth in subsections (i) – (v) above) arises directly or indirectly from Contractor's

performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors, or either's agent or employee. The indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City.

In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter.

Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons arising directly or indirectly from the receipt by City, or any of its officers or agents, of Contractor's Services.

Article 6 Liability of the Parties

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

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

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

Article 7 Payment of Taxes

7.1 Except for any applicable California sales and use taxes charged by Contractor to City, Contractor shall pay all taxes, including possessory interest taxes levied upon or as a result of this Agreement, or the Services delivered under this Agreement. Contractor shall remit to the State of California any sales or use taxes paid by City to Contractor under this Agreement. Contractor agrees to

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

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

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

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

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

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

Article 8 Termination and Default

8.1 Termination for Convenience

8.1.1 City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

8.1.2 Upon receipt of the notice of termination, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Such actions shall include, without limitation:

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

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

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

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

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

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

8.1.3 Within 30 days after the specified termination date, Contractor shall submit to City an invoice, which shall set forth each of the following as a separate line item:

(a) The reasonable cost to Contractor, without profit, for all Services prior to the specified termination date, for which Services City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for Services. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

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

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

(d) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to City, and any other appropriate credits to City against the cost of the Services or other work.

8.1.4 In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by City, except for those costs specifically enumerated and described in Section 8.1.3. Such non-recoverable costs include, but are not limited to, anticipated profits on the Services under this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under Section 8.1.3.

8.1.5 In arriving at the amount due to Contractor under this Section, City may deduct: (i) all payments previously made by City for Services covered by Contractor's final invoice; (ii) any claim which City may have against Contractor in connection with this Agreement; (iii) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection 8.1.4; and (iv) in instances in which, in the opinion of the City, the cost of any Service performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected Services, the difference between the invoiced amount and City's estimate of the reasonable cost of performing the invoiced Services in compliance with the requirements of this Agreement.

8.1.6 City's payment obligation under this Section shall survive termination of this Agreement.

8.2 Termination for Default; Remedies.

8.2.1 Each of the following shall constitute an immediate event of default ("Event of Default") under this Agreement:

(a) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

3.5	Submitting False Claims	10.4	Nondisclosure of Private, Proprietary or Confidential Information
4.5	Assignment	10.10	Alcohol and Drug-Free Workplace
Article 5	Insurance and Indemnity		
Article 7	Payment of Taxes	11.10	Compliance with Laws

(b) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, including any obligation imposed by ordinance or statute and incorporated into this Agreement by reference, and such default continues for a period of ten days after written notice thereof from City to Contractor.

(c) Contractor (i) is generally not paying its debts as they become due; (ii) files, or consents by answer or otherwise to the filing against it of a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction; (iii) makes an assignment for the benefit of its creditors; (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property; or (v) takes action for the purpose of any of the foregoing.

(d) A court or government authority enters an order (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (iii) ordering the dissolution, winding-up or liquidation of Contractor.

8.2.2 On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, where applicable, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor: (i) all damages, losses, costs or expenses incurred by City as a result of an Event of Default; and (ii) any liquidated damages levied upon Contractor pursuant to the terms of this Agreement; and (iii), any damages imposed by any ordinance or statute that is incorporated into this Agreement by reference, or into any other agreement with the City.

8.2.3 All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

8.2.4 Any notice of default must be sent by registered mail to the address set forth in Article 11.

8.3 **Non-Waiver of Rights.** The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions.

8.4 **Rights and Duties upon Termination or Expiration.**

8.4.1 This Section and the following Sections of this Agreement listed below, shall survive termination or expiration of this Agreement:

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

8.4.2 Subject to the survival of the Sections identified in Section 8.4.1, above, if this Agreement is terminated prior to expiration of the term specified in Article 2, this Agreement shall be of

no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City.

Article 9 Rights In Deliverables

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

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

9.3 City acknowledges and agrees that Contractor's Deliverables are prepared uniquely for one-time use only for the purposes set forth in this Agreement and that Contractor shall not be liable for any costs incurred through the City's use of any Deliverable for any purpose other than the original purpose for which Contractor prepared the Deliverable.

Article 10 Additional Requirements Incorporated by Reference

10.1 **Laws Incorporated by Reference.** The full text of the laws listed in this Article 10, including enforcement and penalty provisions, are incorporated into this Agreement by reference. The full text of the San Francisco Municipal Code provisions incorporated by reference in this Article and elsewhere in the Agreement ("Mandatory City Requirements") are available at www.sfgov.org under "Government."

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

10.3 Prohibition on Use of Public Funds for Political Activity. In performing the Services, Contractor shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Contractor is subject to the enforcement and penalty provisions in Chapter 12G.

10.4 Nondisclosure of Private, Proprietary or Confidential Information.

10.4.1 If this Agreement requires City to disclose "Private Information" to Contractor within the meaning of San Francisco Administrative Code Chapter 12M, Contractor and subcontractor shall use such information consistent with the restrictions stated in Chapter 12M and in this Agreement and only as necessary in performing the Services. Contractor is subject to the enforcement and penalty provisions in Chapter 12M.

10.4.2 In the performance of Services, Contractor may have access to City's proprietary or confidential information, the disclosure of which to third parties may damage City. If City discloses proprietary or confidential information to Contractor, such information must be held by Contractor in confidence and used only in performing the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary or confidential information.

10.5 Nondiscrimination Requirements

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

10.5.2 **Nondiscrimination in the Provision of Employee Benefits.** San Francisco Administrative Code 12B.2. Contractor does not as of the date of this Agreement, and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Administrative Code Section 12B.2.

10.6 Local Business Enterprise and Non-Discrimination in Contracting Ordinance. Contractor shall comply with all applicable provisions of Chapter 14B ("LBE Ordinance"). Contractor is subject to the enforcement and penalty provisions in Chapter 14B. Contractor shall utilize LBE Subcontractors for at least **twenty percent (20%)** of the Services except as otherwise authorized in writing by the Director of CMD. Contractor shall incorporate the requirements of the LBE Ordinance in each subcontract made in the fulfillment of Contractor's LBE subcontracting commitments.

10.7 Minimum Compensation Ordinance. Contractor shall pay covered employees no less than the minimum compensation required by San Francisco Administrative Code Chapter 12P. Contractor

is subject to the enforcement and penalty provisions in Chapter 12P. By signing and executing this Agreement, Contractor certifies that it is in compliance with Chapter 12P.

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

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

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

10.11 Limitations on Contributions. By executing this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. The prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Contractor must inform each such person of the limitation on contributions imposed by Section 1.126 and provide the names of the persons required to be informed to City.

10.12 Slavery Era Disclosure. NOT APPLICABLE

10.13 Working with Minors. NOT APPLICABLE

10.14 Consideration of Criminal History in Hiring and Employment Decisions

10.14.1 Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12T, "City Contractor/Subcontractor Consideration of Criminal History in Hiring and

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

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

10.15 Public Access to Nonprofit Records and Meetings. NOT APPLICABLE

10.16 **Food Service Waste Reduction Requirements.** Contractor shall comply with the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including but not limited to the provided remedies for noncompliance.

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

10.18 **Tropical Hardwood and Virgin Redwood Ban.** Under San Francisco Environment Code Section 804(b), the City urges Contractor not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

10.19 Preservative Treated Wood Products. NOT APPLICABLE

Article 11 General Provisions

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

To City: Claudia Luquin
Airport Program Manager
San Francisco International Airport
P.O. Box 8097
San Francisco, California 94128
Email: claudia.luquin@flysfo.com
Fax: (650) 821-9410

To Contractor: Simon Casey
Project Manager
PGH Wong Engineering, Inc.
182 2nd Street, Suite 500
San Francisco, CA 94105
Email: scasey@pghwong.com
Fax: (415) 566-6030

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

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

11.3 Payment Card Industry ("PCI") Requirements. NOT APPLICABLE

11.4 Sunshine Ordinance. Contractor acknowledges that this Agreement and all records related to its formation, Contractor's performance of Services, and City's payment are subject to the California Public Records Act, (California Government Code §6250 et. seq.), and the San Francisco Sunshine Ordinance, (San Francisco Administrative Code Chapter 67). Such records are subject to public inspection and copying unless exempt from disclosure under federal, state or local law.

11.5 Modification of this Agreement. This Agreement may not be modified, nor may compliance with any of its terms be waived, except as noted in Section 11.1, "Notices to Parties," regarding change in personnel or place, and except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with Department to submit to the Director of CMD any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (CMD Contract Modification Form).

11.6 Dispute Resolution Procedure.

11.6.1 Negotiation; Alternative Dispute Resolution. The Parties will attempt in good faith to resolve any dispute or controversy arising out of or relating to the performance of services under this Agreement. If the Parties are unable to resolve the dispute, then, under San Francisco Administrative Code Section 21.35, Contractor may submit to the Contracting Officer a written request for administrative review and documentation of the Contractor's claim(s). Upon such request, the Contracting Officer shall promptly issue an administrative decision in writing, stating the reasons for the action taken and informing the Contractor of its right to judicial review. If agreed by both Parties in writing, the Parties may resolve disputes by a mutually agreed-upon alternative dispute resolution process. If the parties do not mutually agree to an alternative dispute resolution process or such efforts do not resolve the dispute, then either Party may pursue any remedy available under California law. The status of any dispute or controversy notwithstanding, Contractor shall proceed diligently with the performance of its obligations consistent with the Agreement and the written directions of the City. Neither Party will be entitled to legal fees or costs for matters resolved under this section.

11.6.2 **Government Code Claim Requirement.** No suit for money or damages may be brought against the City until a written claim has first been presented to and rejected by the City in conformity with the provisions of San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq. Nothing set forth in this Agreement shall operate to toll, waive or excuse Contractor's compliance with the California Government Code Claim requirements set forth in San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq.

11.7 **Agreement Made in California; Venue.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

11.8 **Construction.** All paragraph captions are for reference only and shall not be considered in construing this Agreement.

11.9 **Entire Agreement.** This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This Agreement may be modified only as provided in Section 11.5, "Modification of this Agreement."

11.10 **Compliance with Laws.** Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and duly adopted rules and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

11.11 **Severability.** Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

11.12 **Cooperative Drafting.** This Agreement has been drafted through a cooperative effort of City and Contractor, and both Parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No Party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the Party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

11.13 **Airport Intellectual Property.** Pursuant to Resolution No. 01-0118, adopted by the Airport Commission on April 18, 2001, the Airport Commission affirmed that it will not tolerate the unauthorized use of its intellectual property, including the SFO logo, CADD designs, and copyrighted publications. All proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport (including subcontractors and subtenants) may not use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Airport Director's prior consent.

11.14 **Labor Peace / Card Check Rule.** Without limiting the generality of other provisions in this Agreement requiring Contractor to comply with all Airport Rules, Contractor shall comply with the Airport's Labor Peace / Card Check Rule, adopted on February 1, 2000, pursuant to Airport Commission Resolution No. 00-0049 (the "Labor Peace / Card Check Rule"). Capitalized terms not defined in this

provision are defined in the Labor Peace/Card Check Rule. To comply with the Labor Peace/Card Check Rule, Contractor shall, among other actions: (a) Enter into a Labor Peace/Card Check Rule Agreement with any Labor Organization which requests such an agreement and which has registered with the Airport Director or his / her designee, within thirty (30) days after Labor Peace/Card Check Rule Agreement has been requested; (b) Not less than thirty (30) days prior to the modification of this Agreement, Contractor shall provide notice by mail to any Labor Organization or federation of labor organizations which have registered with the Airport Director or his / her designee (registered labor organization”), that Contractor is seeking to modify or extend this Agreement; (c) Upon issuing any request for proposals, invitations to bid, or similar notice, or in any event not less than thirty (30) days prior to entering into any Subcontract, Contractor shall provide notice to all registered Labor Organizations that Contractor is seeking to enter into such Subcontract; and (d) Contractor shall include in any subcontract with a Subcontractor performing services pursuant to any covered Contract, a provision requiring the Subcontractor performing services pursuant to any covered Contract, a provision requiring the Subcontractor to comply with the requirements of the Labor Peace/Card Check Rule. If Airport Director determines that Contractor violated the Labor Peace/Card Check Rule, Airport Director shall have the option to terminate this Agreement, in addition to exercising all other remedies available to him / her.

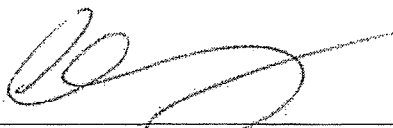
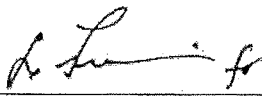
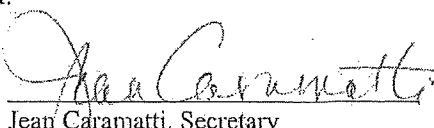

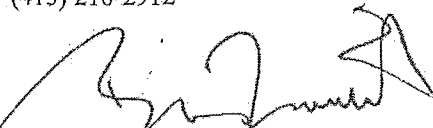
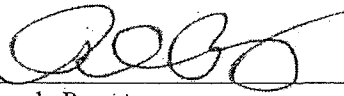
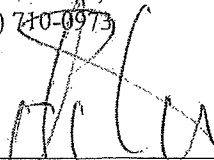
11.15 Federal Non-Discrimination Provisions. Contractor for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that Contractor shall maintain and operate the Airport facilities and services in compliance with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

11.16 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 October 2, 2015. The RFP and Contractor's proposal are incorporated by reference into this Agreement. Should there be a conflict of terms or conditions, this Agreement and any implementing task orders shall control over the RFP and the Contractor's proposal.

Article 12 MacBride And Signature

12.1 **MacBride Principles - Northern Ireland.** The provisions of San Francisco Administrative Code §12F are incorporated by this reference and made part of this Agreement. By signing this Agreement, Contractor confirms that Contractor has read and understood that the City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

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:  John L. Martin, Airport Director	Authorized Signature Clifford S. M. Wong President PGH Wong Engineering, Inc. 182 2 nd Street, Suite 500 San Francisco, California 94105 (415) 566-0800
Attest: By:  Jean Caramatti, Secretary Airport Commission	
Resolution No: 16-0053 Adopted on: February 16, 2016	Authorized Signature Ismael G. Puga Cooper Puga Management, Inc. President 65 McCoppin Street San Francisco, California 94103 (415) 218-2912
Approved as to Form: Dennis J. Herrera City Attorney	
By:  Randy Parent Deputy City Attorney	Authorized Signature Brendan P. McDevitt MCK Associates, LLC, dba MCK Associates, Inc. President 806 Jamestown Avenue San Francisco, California 94124 (415) 710-0973
	 Authorized Signature

	Andrew Petreas Environmental & Construction Solutions, Inc. President 290 Division Street, Suite #307 San Francisco, California 94103 (415) 934-8790 98846 City Vendor Number 810714202 Federal Employer ID Number
--	---

Appendices

- A: Services to be provided by Contractor
- B: Calculation of Charges
- C: Strategic Plan
- D: Partnering Requirements

APPENDIX A
SERVICES TO BE PROVIDED BY CONTRACTOR

This Appendix A attached to, and incorporated by reference in the Agreement made on February 16, 2016 between the City and County of San Francisco, acting by and through its Airport Commission (Commission), and WCME JV (Contractor) to provide Project Management Support Services (PMSS) for the Terminal 3 West Improvements Program which includes Terminal 3 West Modernization Project and Boarding Area F Passenger Boarding Bridge Project.

The Contractor will be responsible for providing all the Services listed below, and must be able to provide all the staff necessary to oversee the Projects.

A. PROJECT CONTROLS AND REPORTING

The Contractor shall provide the following, but not be limited to, project controls and reporting services:

1. Utilize systems that are compatible with current Airport project control software. These include, but are not to be limited to, Primavera P6 EPPM (scheduling), Primavera Unifier (cost management and business processes), CIP Planner (project financial planning), OpenText eDocs (document control), Microsoft Outlook (email), AutoCAD, and Revit.
2. Contractor shall input real-time project data into the Airport's Project Management System, Primavera Unifier. These inputs will be used to report on the progress of the Projects including information on the Contractor and subcontractors' Work, percentage of completion of the Work, current estimates, forecasted contract growth, trade package buyouts, updated monthly schedules, including projected time to completion and estimated cost to complete the Work, digital progress photographs, logs for Requests for Information, submittals and shop drawings, pending and approved change orders, meetings minutes, and other project metrics as requested by the Airport.
3. Diligently perform data entry into the project management system to ensure that real-time data is readily available. The Contractor shall perform quality control to reduce input error, thus enhancing consistency and accuracy in the reporting of all information.
4. Provide an environment that allows the Design-Builder to uniformly exchange information with other contractors relating to the Projects' budgets, costs, estimates, risks, and schedules using the Stakeholder Engagement Process (SEP) to maintain transparency between interfacing with adjoining projects.
5. Produce reports and deliverables that help the Airport to manage the Projects and make decisions. Reports and deliverables shall be outputted from and generated using the data entered into the Project Management System. At the request of the Airport, hard copy color duplicates shall be made available. The reports and deliverables shall include, but not limited to, the following:
 - a. A monthly report to the Airport on services provided to the Airport under this Agreement in a format consistent with the Airport reporting process. The Contractor will report on its progress and any problems in performing the Work of which the Contractor becomes aware.

- b. Project cost and budget reports as part of the required monthly report in a format determined by the Airport to include total project budget amounts, total project cost to date, earned value estimates, trends and forecasts. Reports shall include costs and payments to Designers and Builders, and Airport cost and expenses.
 - c. Update schedules by monitoring progress in relationship to the existing baseline schedules for adjoining projects. Prepare detailed monthly schedule reports and schedule trend reports. Provide schedule recovery recommendations on a monthly basis and anticipated schedule phases.
 - d. A monthly cash flow and trend reports and additional reports as requested by the Airport.
 - e. Report all potential and anticipated risks and issues for the Projects. Provide cost recovery recommendations on a monthly basis.
 - f. Quality assurance and quality control processes and how these are being engaged on a monthly basis.
 - g. As requested, the Contractor shall prepare other reports and presentations so that varying levels of details can be communicated to different management levels within the Airport organization as well as to the Public. Contractor shall provide reports monthly, quarterly, annually, or at other frequencies to be determined by the Airport.
6. Provide high-level Project cost information to the Airport's Program Management Support Services consultant for input into the overall program-level management and coordination of the Airport's Capital Improvement Program.

B. PROJECT SCHEDULING SERVICES

Using the Airport-provided scheduling tools, the Contractor shall provide the following, but not be limited to, project schedules and analyses:

1. Compile applicable schedules from Airport staff, major tenants, Design-Builder, and other agencies to prepare a Level 1 schedule for the Project using the Airport's provided scheduling tools. The Level 1, or Contract Master Schedule, is a summary level schedule that establishes key completion objectives for the Project. At a minimum, it defines the overall period of performance, major milestones, contractual milestones, contract deliveries, and other major project phases. It also shows milestones that interface with other adjoining projects.
2. Verify and validate Level 2 schedules provided by the Design-Builder. The Level 2, or Intermediate Schedule, should contain a detailed reflection of the activities that must be accomplished to achieve the Level 1 schedule objectives. At a minimum, the Level 2 schedule shall include contractually required deliveries of critical long lead items, hardware, software, and performance requirements.
3. Verify and validate Level 3 schedules provided by Design-Builder. The Level 3, or Detailed Schedule, contains a detailed set of activities that must be accomplished to achieve Level 2

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

4. Identify and analyze dependencies, controls, and interfaces among the Project, with other airport operational activities, and/or with external projects and perform alternative analysis project sequence to optimize Project delivery within the Level 3 schedule.
5. Develop, review, update, and monitor project schedules to the required management level during all Project phases as directed by the Airport Project Manager.
6. Provide high-level project schedule information to the Airport's Program Management Support Services consultant for input into the overall program-level management and coordination of the Airport's Capital Improvement Program.

C. PROJECT BUDGET AND ESTIMATING SERVICES

The Contractor shall support Airport financial analyses by performing the following, but not limited to, tasks:

1. Prepare and review Project hard and soft cost budget estimates, resulting in the establishment of the Projects' baseline budgets. The estimates shall follow a Work Breakdown Structure consistent with Airport requirements.
2. Analyze financial consequences of design alternatives, alternatives resulting from value engineering reviews of design and construction techniques, and costs due to site and schedule constraints.
3. Provide project-level cost and trend management services.
4. Provide a wide range of cost estimates, including pre-construction, concept, budgetary, design, construction, and engineer's estimates.
5. Use the cost management system provided by the Airport.
6. Establish, review, and support Airport staff in making appropriate budgetary contingencies and reviewing Project risks.
7. Provide budget and funding report services, documenting sources of funds and cash flow projections for the Projects.

8. Develop and maintain procedures to forecast Project costs and advise the Airport on corrective actions if forecasted budgets are to be exceeded.
9. Prepare and review life cycle costs including operations and maintenance costs.
10. Prepare and review cost benefit analysis.
11. Reconcile the Projects' scopes with appropriate budgets.
12. Prepare preliminary estimates of construction costs and times of completion for the Projects.

D. DOCUMENT CONTROL SERVICES

The Contractor shall provide, but not be limited to, the following document control services:

1. Use Airport's document control system and tools for the Projects and provide training.
2. Maintain all the Project documentation in an integrated, accessible electronic format with hard copy stored in a retrievable system as directed by the Airport.
3. Using the Airport-provided Project Management System, maintain status logs of Project documents such as design activities and status, requests for information, submittals, substitution requests, etc.
4. Develop and maintain systems for the efficient distribution of Project documents to Design-Builder, external agencies, City departments, and other stakeholders as directed.

E. SPECIALIZED TECHNICAL SUPPORT SERVICES

The Contractor shall provide specialized services to manage the complex programming, design, construction, activation, and closeout issues associated with the systems listed below. The Contractor's team should include individual team members with specific expertise in each of the following areas.

1. Mechanical, Electrical, and Plumbing
2. Airport Special Systems
3. Airfield and Aircraft Systems
4. Baggage Handling Systems

F. AIRPORT STRATEGIC PLAN

The Contractor shall assist in the advancement of the Mission, Vision, Overall Goals, and Core Values in the Airport Strategic Plan, which can be found using the following link: <https://sfoconnect.com/sites/default/files/strategicplan.pdf> and will become Appendix C of the Agreement.

G. STRUCTURED COLLABORATIVE PARTNERING PROCESS

The Contractor shall participate in the Structured Collaborative Partnering process (SCP) as described in the Delivering Exceptional Projects: Our Guiding Principles document (DEP) which can be found using the following link: www.sfoconstruction.com, and the Partnering Requirements document which is included in Appendix G of this REP which will become Appendix D of the Agreement.

H. STAKEHOLDER ENGAGEMENT PROCESS PARTICIPATION AND ADMINISTRATION

The Contractor shall coordinate, participate in, and document the SEP process throughout the Projects' lifecycles and:

1. Manage the overall SEP process for the Projects. This includes organizing the SEP groups, scheduling and coordinating meetings and ensuring that invitees can attend, assigning SEP leaders where Airport staff is not available and providing administrative and documentation support, including the preparation and distribution of meeting agendas and minutes and tracking action items.
2. Prepare the Projects' requirements narrative as appropriate and with concurrence from the Airport Project Manager, and oversee inclusion of requirements into Design-Builder construction documents.
3. Use the SEPs to prepare for all start-up and activation activities.

I. REVENUE ENHANCEMENT AND CUSTOMER HOSPITALITY (REACH)

- The Airport is proud of the development of the Principles of Revenue Enhancement and Customer Hospitality program, also known as "REACH" which can be found using the following link: <http://www.flysfo.com/business-at-sfo>. The Contractor shall provide support to Airport staff for the incorporation of REACH principles and goals into the Projects.

The Contractor shall:

1. Ensure that the Principles of REACH are incorporated into all applicable aspects of the Projects.
2. Work alongside the Airport, stakeholders, and the Design-Builder to incorporate REACH principles throughout the Projects.
3. Review the Projects' construction documents and construction site for consistency with the applicable REACH principles and goals set for the Projects.

J. SUSTAINABILITY

SFO has achieved significant environmental sustainability goals and intends to incorporate sustainability procedures and practices in all spheres of SFO operations. Contractor shall provide

support to Airport staff for the incorporation of sustainability requirements and goals into the procurement and bid documents for the Projects.

The Contractor shall:

1. Ensure that all applicable Sustainability guidelines of the Airport, as well as relevant local, state, and federal codes and regulations for renovation or construction of non-residential buildings are incorporated into the Projects.
2. Work alongside the Airport, stakeholders, and the Design-Builder to consider and implement sustainable design and construction solutions throughout the Projects.
3. Review the Project construction documents and construction site for consistency with the applicable Airport sustainability guidelines, and green building codes and standards based on the sustainability goals set for the Projects.

K. PROJECT COORDINATION

The Contractor shall provide the following, but not be limited to, coordination services:

1. In all phases, assist Airport staff with project coordination and development efforts with Airport Management, United Airlines, The Transportation Security Administration (TSA), other Stakeholders as defined in the SEP, Airport Architecture and Engineering staff, as required and directed by the Airport.
2. Coordinate the Projects' work with all ongoing Airport activities, and other adjacent or coordinated projects.
3. Assist with the establishment, implementation, and modification of Project administrative procedures.
4. Implement and support an Action Item system to track key Project activities.
5. Develop and monitor a Risk Register to identify, track and respond to Project risks.
6. Develop and monitor a list of Project Trends.
7. Coordinate and document SEP programming and design review input.
8. Coordinate, lead, and document appropriate weekly Project meetings throughout each phase of the Projects.
9. Manage the programming, design, construction, activation, and closeout activities associated with the following systems:
 - a. Mechanical, Electrical, and Plumbing

- b. Airport Special Systems
 - c. Airfield and Aircraft Systems
 - d. Baggage Handling Systems
10. Assist Airport staff with maintaining phasing, environmental issues, off-hours work, utility connection and associated activities.
 11. Coordinate any hazardous material survey, reporting and abatements work to ensure Airport compliance with appropriate entities.
 12. Assist Airport staff with the San Francisco Arts Commission Civic Design Review and Art Enrichment processes, as appropriate to the size and scope of these Projects.
 13. Assist Airport staff with preparing for reporting and presenting to various levels of Airport Management, including the Design & Construction Advisory Board and the Executive Committee, as directed by the Airport Project Manager.
 14. Assist the Airport Project Manager in gathering information for and responding to internal and external audits of the Projects, and modify and implement processes to address any findings from such audits.
 15. Assist the Airport in applying for reimbursement of funds as outlined in the Other Transactional Agreement with the Transportation Security Administration.

L. PRE-PROGRAMMING PHASE

The Contractor shall support the Project team to:

1. Develop a preliminary Project schedules in coordination with all components of the Program and all other affected Airport activities and stakeholders.
2. Provide a Cost Model for the Projects and develop strategies to ensure meeting the Projects' budget.
3. Prepare a list of permits and requirements pertaining to environmental quality, including, but not limited to Air Quality, and Water Quality for the Projects. The Contractor shall ensure permits required to be obtained are listed in construction documents, and proper permits are obtained and facilitate adherence to all applicable requirements.

M. PROGRAMMING PHASE

The Contractor shall support the Project team to provide the following, but not be limited to, programming phase services:

1. Deliverables of the Programming Phase shall include, but not be limited to:

- a. SEP Narratives. For each Group as part of the SEP, ensure information collected during the Programming Phase is assembled in a comprehensive narrative report to be used to prepare the Basis of Design. Narratives shall include minimum performance criteria and standards.
 - b. Conceptual drawings illustrating key project requirements.
 - c. Cost model
 - d. Project Schedule
2. Provide oversight and coordination of the Design-Builder in generating the Projects' design criteria and standards based on Airport and other regulatory standards as well as input and requirements from the SEP. Design criteria shall include, but not limited to:
 - a. Identification of preliminary civil, architectural, engineering, landscaping, site layout, utility, vertical transportation, security and special systems for the Projects.
 - b. Compilation of civil, architectural, engineering, landscaping/site layout, vertical transportation, security and special systems specification outlines based on conceptual design. The outline specifications shall include minimum performance criteria and standards and preferred manufacturers.
 - c. Identification of preliminary building code classifications, accessibility, egress requirements, and life safety requirements.
 - d. Identification of sustainability goals and expectations.
 - e. Preliminary schedules and cost models based on all proposed Basis of Design.
 3. Reconcile the Projects' estimates with the Airport's budget. Advise the Airport if the Projects and budget are not in compliance and recommend potential solutions.
 4. Prepare reports, exhibits, and presentation materials to convey the Projects as requested by the Airport Project Manager.
 5. Identify, analyze and conform to the requirements of governmental and private authorities having jurisdiction to approve the design of the Projects and participate in consultations with such authorities.
 6. At the end of this Programming Phase, provide a cost loaded Staffing Plan for the Contractor for each phase of the remainder of the Projects and an anticipated direct labor cost for the remainder of the Projects.
 7. Provide oversight and review of proposed design fees and construction fees.
 8. Assist with preparing documents for the Airport Commission as requested by the Airport Project Manager.

N. DESIGN PHASE

The Contractor shall provide the following, but not limited to, design phase services:

1. Provide management, administration and oversight of Airport issued Design-Build contract. Coordinate with other Airport projects and Stakeholders.
2. Provide third-party, peer, and quality assurance reviews of design deliverables and construction documents produced by the Design-Builder and verify that all design review comments are incorporated. Furthermore, the Contractor shall ensure that the Design-Builder implements the standards and Basis of Design developed in the SEP.
3. Coordinate and facilitate additional SEP meetings to resolve design issues and identify any necessary deviations from the Basis of Design developed during the Programming Phase and propose alternative solutions.
4. Provide design oversight, monitor design progress and deliverables, and recommend corrective action when required.
5. Coordinate proposed design elements and phasing in conjunction with all components of the Projects and all other affected Airport activities and stakeholders.

O. CONSTRUCTION PHASE

The Contractor shall provide the following, but not limited to, construction phase services:

1. Provide procurement support, management, administration and oversight of design build contract for the Projects.
2. Perform third-party cost estimates for independent cost verification as requested by the Airport Project Manager.
3. Perform as the Construction Manager during the Projects' lifecycles. At a minimum, the Contractor shall provide the following construction management services:
 - a. Review constructability report prepared by the Design-Builder for impacts to Airport operations, and consistency with the Projects' schedule.
 - b. Review construction work plans and make recommendations.
 - c. Report on and participate in the trade subcontract procurement process with the Design-Builder.
 - d. Review and/or prepare construction quality assurance/quality control plans for Contractor's Work.

- e. Provide technical, as-required, on-site observation and inspection of the progress and quality of the construction work. (Note: During the construction phase, the Contractor may need to integrate, within its technical support staff, Airport/City staff to provide on-site observation of the Work, depending upon availability of Airport/City personnel.)
- f. Monitor environmental inspection for Design-Builder's compliance with environmental regulations.
- g. Examine materials and equipment being incorporated into the work to verify that they are supported by approved submittals, handled, stored, and installed properly.
- h. Coordinate or procure the services of testing laboratories to assure that the proper number and type of quality assurance/quality control tests are being performed in a timely manner.
- i. Provide quality assurance/quality control special inspections and materials testing as required.
- j. Prepare daily inspection reports for submission to the Commission.
- k. Manage and review for contract and code compliance the submission of samples, shop drawings, Operation & Maintenance (O&M) manuals, and other submittals between contractors and the Commission. The Contractor shall maintain a log of all submittals for the Projects.
- l. Identify problems encountered in accomplishing the Work and recommend appropriate action to the Commission in order to resolve problems with a minimum effect on the timely completion of the projects.
- m. Provide oversight of Design-Builder's testing and special inspections. The Airport Project Manager will judge the acceptability of all testing and inspection means, methods, results and reports performed on behalf of the Contractor. The Airport building official has the authority to require additional testing based on final code requirements and interpretation.
- n. Maintain a log of requests for information, issued to the Commission, and prepare the Commission's non-technical responses, which must be approved by the Airport Project Manager.
- o. Review progress payment requests for accuracy and recommend approval. The Contractor shall prepare all supporting documentation for progress payment requests, including but not limited to, certified payroll tracking forms.
- p. Review contractor reports, as-built drawings, and other construction documentation and ensure information is captured in the Commission's record keeping system.
- q. Attend job site meetings and prepare meeting minutes. The Contractor shall review and communicate information presented to Airport Managers and all attendees.

- r. Monitor the T3 West Design-Builders compliance of CMD requirements and certified payroll requirements.
- s. Administer the evaluation and negotiation of change orders and prepare and process change orders and contract modifications.
- t. Manage activation activities and prepare written status reports.
- u. Conduct final inspections prior to project acceptance, notify the Commission in a timely manner of the results of the inspections, and administer acceptance procedures and tests for each phase of the projects.
- v. Perform project closeout activities.
- w. Support dispute and/or claim resolution analysis and reconciliation efforts.
- x. Negotiate on the Airport's behalf, the Guaranteed Maximum Price for the Trade Package Sets.

P. ACTIVATION PHASE

The Contractor shall provide, but not be limited to, the following activation phase services:

1. Participate and provide oversight of the Design-Builder to develop an activation plan. The plan shall include input from the Stakeholder Engagement Process.
2. Manage activation activities and prepare written status reports. Status reports shall verify that the facility and all of its systems and assemblies are constructed, installed, tested, operated and maintained to meet the each project's requirements.
3. Coordinate and conduct final inspections prior to Project acceptance, and administer acceptance procedures and tests for each phase of the each project.
4. Provide coordination with the Design-Builder regarding testing procedures and clearly document the procedures in a test plan as it pertains to technology infrastructure.

Q. CLOSEOUT PHASE

The Contractor shall provide, but not be limited to, the following closeout phase services:

1. Coordinate and conduct final inspections prior to Project acceptance, and administer acceptance procedures and tests for each phase of each Project.
2. Review and report on progress of the Design-Builder regarding testing procedures and clearly document the procedures in a test plan as it pertains to technology infrastructure.

3. Review and report on progress of training or operation and maintenance of new systems as required by the Airport and/or individual Project specifications.
4. Provide support for move-in to the newly constructed facilities.
5. Provide oversight of all LEED commission activities.
6. Support closeout activities for the Projects. All procedures and documentation shall use Airport standards for the closeout process.
7. Support dispute and/or claim resolution analysis and reconciliation efforts.

END OF APPENDIX A

**APPENDIX B
CALCULATION OF CHARGES**

This is Appendix B attached to, and incorporated by reference in the Agreement made on February 16, 2016 between the City and County of San Francisco, acting by and through its Airport Commission (Commission), and WCME JV, a Joint Venture of PGH Wong Engineering, Inc., Cooper Puga Management, Inc., MCK Associates, LLC, dba MCK Associates, Inc., and Environmental & Construction Solutions, Inc. (Contractor) providing for Program Management Support Services for Terminal 3 West Modernization Project and Boarding Area F Passenger Boarding Bridge Project.

1. General

1.1 As set forth in in paragraph 5 "Compensation" of the Agreement, Compensation for work performed under this Agreement will be on a time and materials basis and is broken down as follows for the first year of services:

Professional Services =	\$6,810,000
Mobilization =	\$ 500,000
Other Direct Costs (ODCs) =	\$ 790,000

TOTAL FIRST YEAR OF SERVICES = \$8,100,000

1.2 No charges shall be incurred under this Agreement nor shall any payments become due to the Contractor until reports, services, or both required under this Agreement are received from the Contractor and approved by the Commission as being in accordance with this Agreement. In no event shall the Commission be liable for interest or late charges for any late payments.

2. Method of Payment

2.1 Unless approved otherwise by the Commission, the Contractor's services shall be invoiced on a monthly basis and payment will be made within thirty (30) days of receipt of an acceptable invoice with satisfactory backup documentation, approved by the Airport Project Manager. The term "invoice" shall include the Contractor's bill or other written request for payment under this Agreement for services performed. All invoices shall be made in writing.

2.2 The Contractor shall invoice for the Work performed in conformance with procedures approved by the Commission.

2.2.1 Such invoices shall segregate current costs from previously invoiced costs.

2.2.2 Costs for individual labor shall be segregated by task and subtasks, if any.

2.2.3 In no case shall the Contractor invoice include costs which the Commission has disallowed or otherwise indicated that it will not recognize. Costs shall be invoiced by Contractor's accounting categories and shall be subject to the audit provisions of this Agreement.

2.2.4 Each invoice shall clearly distinguish Contractor's personnel that are invoiced at the home office rate versus the field office rate. See paragraph 3 below for rate definitions.

2.2.5 Such invoices shall be as a minimum, (i) mechanically accurate, (ii) substantially evidenced and properly supported and (iii) in compliance with generally accepted accounting principles.

2.3 The Contractor shall also certify, for each invoice, that (i) the hourly rates for direct labor, whether for Contractor or its subcontractor(s), to be reimbursed under this Agreement are not in excess of the actual hourly rates in effect for the Contractor or subcontractor employees engaged in the performance of services under this Agreement at that time, and (ii) that such hourly rates are in conformance with the Agreement.

2.4 The Commission reserves the right to withhold payment(s) otherwise due the Contractor in the event of the Contractor's material non-compliance with any of the provisions of this Agreement, including, but not limited to, the requirements imposed upon the Contractor in Article 15, Insurance, and Article 16, Indemnification. The Commission shall provide notice of withholding, and may continue the withholding until the Contractor has provided evidence of compliance which is acceptable to the Commission.

2.5 All invoices shall be made in writing and delivered or mailed to the Commission as follows:

By US mail: Claudia Luquin
Airport Program Manager
Design & Construction
San Francisco International Airport
P.O. Box 8097
San Francisco, CA 94128

By Personal Delivery
or Express Mail: Claudia Luquin
Airport Program Manager
Design & Construction
San Francisco International Airport
710 N. McDonnell Road, 2nd Floor
San Francisco, CA 94128

3. Labor Rates and Fees

3.1 Direct Salary Rate and Direct Salary Rate Adjustment

3.1.1 Salaried personnel shall be paid on a maximum of 40 hours per week, with no overtime. Salaried personnel assigned to multiple Projects shall be paid on a pro-rata share of a 40-hour week. Contractor shall maintain signed time cards or other verifiable time records showing all assigned Projects and the shared calculation.

3.1.2 The approved fully-burdened labor rates stated Article 3.5 of this Agreement shall remain in effect for the first year of contract services. As, at the option of the Commission, this is a multi-year contract, the Commission may approve an annual adjustment to the direct hourly labor rates effective July 1st, based on an increase in the Consumer Price Index for the preceding twelve (12) months for the San Francisco Bay Area as published by the U.S. Department of Labor, Bureau of Labor Statistics, under the

title of: "Services Less Rent or Shelter – All Urban Consumers – San Francisco/Oakland/San Jose, California" or on an increase in the wages of comparable classifications as reflected in the collective bargaining agreements between the City and County of San Francisco and the labor organization representing those classifications, whichever is lower. Such adjustment is subject to prior written approval by the Commission and must be included in a written modification to the Agreement before any increase labor rate is incurred, unless the adjustment is made to meet the requirements of prevailing or minimum wage legislative mandates. In no event will the adjustment exceed the lower of the above specified indices unless the proposed adjustment is made pursuant to other specific terms of this Agreement or is necessary to meet the requirements of prevailing or minimum wage legislative mandates.

3.2 Overhead Rates

3.2.1 The approved overhead rates are:

Firm Name	Home Office Overhead Rate	Field Office Overhead Rate
PGH Wong Engineering, Inc.	125.00%	125.00%
Cooper Pugaeda Management, Inc.	110.00%	110.00%
MCK Associates, Inc.	125.00%	125.00%
Environmental & Construction Solutions, Inc.	120.00%	120.00%
AECOM Technical Services, Inc.	158.03%	128.10%
Apex Testing Laboratories, Inc.	163.20%	150.00%
Chaves & Associates	145.00%	145.00%
CM Pros	166.93%	145.00%
Hollins Consulting, Inc.	120.00%	120.00%
Saylor Consulting Group	125.12%	125.12%
Urban Fabrick, Inc.	140.00%	140.00%

3.2.2 The Contractor shall submit to the Commission current certified reviewed financial audit report(s) of overhead cost rates for home and/or field office rates upon request for a change or addition to the approved overhead rates stated in this Paragraph 3.2.

3.3 Approved Mark-Up on First-Tier Subcontractors

The Contractor is permitted a two percent (2%) mark-up on first tier subcontractors only.

3.5 BILLING RATES

The following approved fully burdened Billing Rates, includes base rate, overhead rate and 10% fee:

CLASSIFICATION	BILLING RATE	
	Home Office	Field Office
Airfield and Aircraft Systems Manager	\$229	\$207

Baggage Handling Manager	\$229	\$207
Construction Manager	\$257	\$233
Design Manager	\$243	\$220
MEP Manager	\$229	\$207
Project Manager	\$272	\$246
Project Controls Manager	\$243	\$220
QA/QC/Code Compliance/Safety Manager	\$172	\$155
Senior Scheduler	\$229	\$233
Senior Cost Estimator	\$229	\$220
SEP Manager	\$229	\$207
Special Systems Manager	\$272	\$246
Tenant Space Coordinator	\$172	\$155

SUPPORT POSITIONS

Administrative Assistant - FSH	\$88	\$79
Airline Coordinator/Resident Engineer	\$220	\$198
Assistant Resident Engineer	\$180	\$165
Concessions Coordinator	\$220	\$198
Constructability Reviewer	\$220	\$198
Cost Control/Lead Office Engineer	\$180	\$165
Cost Estimator	\$198	\$180
Deputy Design Manager - SEP Coordinator	\$186	\$170
Document Control Manager	\$151	\$136
Environmental Technical Support	N/A	\$185
Field Engineer	\$143	\$129
Geotechnical Technical Support	N/A	\$185
Intern	\$88	\$79
Lab / Material Testing Technician	N/A	\$125
Office Engineer	\$180	\$165
Project Controls Engineer	\$180	\$165
QA Inspector	N/A	\$155
Resident Engineer	\$229	\$207
Scheduler	\$186	\$170
Senior Inspector	N/A	\$190
Signage and Phasing Coordinator	\$220	\$198
Special Inspector (OSHPD)	N/A	\$190
Special Inspector	N/A	\$155
Special Systems Support	\$198	\$180
Sustainability Manager	\$220	\$198
TSA OTA Technical Review	\$198	\$180

4. Other Direct Cost (ODC)

4.1 Only the actual costs incurred by the Contractor shall be allowed and invoiced as ODCs. The Contractor shall not submit any cost in excess of \$500 without prior written authorization from Commission. There shall be no mark-ups of any kind allowed on costs reimbursed under this Paragraph 4. Costs shall be allowable only to the extent that costs incurred, or otherwise established prices, are consistent with the Federal Cost Principles (Title 48, Code of Federal Regulations, Part 31).

- 4.2 The costs of renderings, computer-animated presentations, and presentation models required for meetings and approvals described in Appendix A of this Agreement are considered a part of the approved overhead rates stated in Paragraph 3.2, and not ODCs. The cost of additional renderings, computer-animated presentations, or presentations requested in writing and directed by the Commission shall be ODCs. Such materials prepared by the Contractor without written advance approval by the Commission shall be considered non-reimbursable.
- 4.3 The following items are considered normal Agreement costs, a part of the Approved Overhead Rates, and are not considered ODCs: (a) phone calls, faxes, mail, express mail, courier delivery or overnight delivery service charges, or other communications charges between members of the Contractor's team, regardless of location; regional phone calls and faxes for all area codes having any geographical land area within 100 miles of San Francisco even though its outlying boundary exceeds the 100 mile limitation; (b) Internet gateways, electronic mail service or other technology-based communication service, FTP sites, or data file transfer or research services, unless for the sole and exclusive use by the Projects; (c) travel by the Contractor or its subcontractors between its home office and the San Francisco Bay Area; (d) travel within 100 mile radius of San Francisco; travel outside 100 mile radius of San Francisco unless approved in writing in advance by the Commission; (e) in-house coordination materials among the Contractor's team and subcontractors, including photocopy and drawing materials, messenger services; (f) presentation material, reproductions, all CADD and other computer-related time and expenses in support of those items specifically listed in Appendix A of this Agreement; and (g) food and beverage and/or entertainment charges of any kind unless approved in writing in advance by the Deputy Director of Design & Construction.
- 4.4 Unless authorized by the Deputy Director of Design & Construction, the Commission will not reimburse the Contractor for the costs of business travel, contractor meals, and accommodations, this includes specialists that are based out of town and not assigned to the jobsite office. Travel and *per diem* expenses for the project team's management, jobsite personnel, or staff that commute to or from other offices or residences is not allowed. When authorized, travel expenses shall be in accordance with the City & County of San Francisco Travel Guidelines can be found at the following link:
https://www.google.com/url?q=http://sfcontroller.org/Modules/ShowDocument.aspx%3Fdocumentid%3D2174&sa=U&ved=0CAUQFjAAahUKEwjU0_TaqLjHAhUImogKHT3iCMw&client=internal-uds-cse&usq=AFOjCNHkyPKe3iRnxQ0y7-OQ2M7NqoiPbA

END OF APPENDIX B



APPENDIX C

STRATEGIC PLAN 2011-2016



SFO



Strategic Plan 2011-2016

SAN FRANCISCO INTERNATIONAL AIRPORT

A Message from the Director



I AM PLEASED TO PRESENT SAN FRANCISCO INTERNATIONAL AIRPORT'S NEW FIVE-YEAR STRATEGIC PLAN, ALONG WITH THE CORE VALUES AND PHILOSOPHIES THAT WILL GUIDE US IN THE YEARS AHEAD. OUR PRINCIPAL PURPOSE, WHICH WE REFER TO AS OUR MISSION, IS "TO PROVIDE AN EXCEPTIONAL AIRPORT IN SERVICE TO OUR COMMUNITIES." OUR OVERALL ASPIRATION FOR THE FUTURE, OUR VISION, IS "REACHING FOR #1."

The highest overall goals in our five-year plan are to be the top-rated airport among passengers, and to be one of the Bay Area's best places to work. Six other overall goals, each with supporting objectives and strategic initiatives, are presented in this document. Many of the strategic initiatives are based on recommendations made by 23 "Reaching for #1" Task Forces that were comprised of cross-organizational representatives, and who worked with the guidance of three steering committees for eight months' time. Of the 216 Task Force recommendations, 207 have been adopted and will become part of the SFO five-year plan and/or the various divisions' operating plans. All of the Task Force recommendations and decisions made about their

adoption and implementation are available on www.sfoconnect.com, our employee-based website.

I am proud of the excellent work by employees that went into the development of SFO's five-year objectives and strategic plan, and I am confident that together we will fulfill our new mission and vision and meet our objectives and thus become an even more exceptional airport in service to our communities.

A handwritten signature in black ink, appearing to read "John L. Martin".

JOHN L. MARTIN,
AIRPORT DIRECTOR

REACHING FOR Number



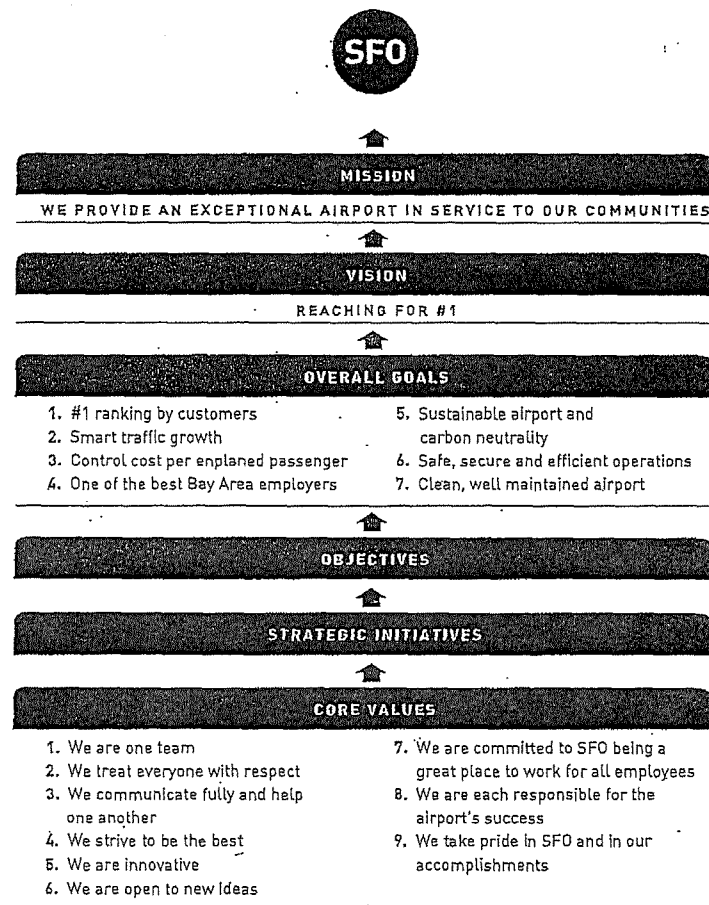
EDWIN M. LEE, Mayor, City and County of San Francisco

SAN FRANCISCO AIRPORT COMMISSION

LARRY MAZZOLA, President
LINDA S. CRAYTON, Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN, Airport Director

Mission, vision, overall goals, core values



Objectives

THE AIRPORT HAS ESTABLISHED 30 KEY OBJECTIVES, LISTED BELOW IN ONE OF THE FOLLOWING OVERALL CATEGORIES

SAN FRANCISCO INTERNATIONAL			
CUSTOMERS/ PASSENGERS	AIRLINES / AIRCRAFT / ROUTES	NON-AIRLINE REVENUE	EMPLOYEES AND ORGANIZATION
<p>1. Be ranked #1 by passengers in the following categories:</p> <ul style="list-style-type: none"> • U.S. International Gateway airport in customer satisfaction by ACI-ASQ survey. • U.S. International Airport in customer satisfaction for overseas travelers by Skytrax survey. <p>2. Be considered a world-class airport by customers.</p> <p>3. Be nimble about meeting passenger demands and needs for services.</p> <p>4. Be the airport of choice for premium passengers.</p> <p>5. Have the most efficient airport ground transportation system in the country.</p>	<p>1. Ensure SFO can meet passenger traffic growth in the next five years and improve airlines' on time arrival performance to 75%.</p> <p>2. Ensure competitive air service.</p> <p>3. Increase current international passenger traffic by 30% in five years.</p> <p>4. Maintain average CPE below \$18.90 in constant FY07-08 dollars in order to maintain and attract airline service.</p>	<p>1. As part of maintaining average CPE below \$18.90, achieve non-airline revenues below:</p> <p>2011 / 2012 \$358 M 2012 / 2013 \$375 M 2013 / 2014 \$387 M 2014 / 2015 \$396 M 2015 / 2016 \$403 M</p> <p>2. Increase per passenger spending annually as follows:</p> <p>Food & Beverage: 2.5% Retail: 3.0% Duty Free: 3.5%</p>	<p>1. Be ranked one of the Bay Area's best employers in SF Business Times' annual list.</p> <p>2. Be known for innovation, expertise, and management excellence in the aviation industry.</p>

AIRPORT FIVE-YEAR OBJECTIVES			
ENVIRONMENTAL SUSTAINABILITY	SAFETY / SECURITY	INFRASTRUCTURE	EXTERNAL RELATIONS
<p>1. Be one of the first airports to achieve carbon neutrality by 2012 and maintain it thereafter.</p> <p>2. Achieve 50% reduction in baseline GHG emissions from SFO - controlled operations by 2015.</p> <p>3. Increase the solid waste recycling rate to 80% (GHG mitigation).</p> <p>4. We will achieve LEED gold in all new buildings.</p>	<p>1. To be an airport innovative leader in safety & security and implement at least two new industry-leading security programs in the next five years.</p> <p>2. Maintain SFO's airfield in as safe as possible condition through the use of technology, procedures, inspections and continual evaluation of airfield best practices.</p> <p>3. Be the least vulnerable U.S. airport to terrorist activity and possess the best integrated response capability.</p> <p>4. Coordinate the sharing of information and planning among all federal and local law enforcement agencies to ensure all the dots are continually connected.</p>	<p>1. As part of maintaining average CPE below \$18.90, invest in capital projects strategically.</p> <p>2. Minimize overall life cycle costs of facilities.</p> <p>3. Maintain the airport's infrastructure in optimal condition.</p> <p>4. Continue to invest in capital projects that make the airport environmentally sustainable.</p> <p>5. Implement projects that will generate net revenue to the extent possible, while meeting the airport's mission.</p>	<p>1. Support awareness among government entities of SFO as a successful enterprise, that is well managed and a valuable asset to San Francisco and the Bay Area communities.</p> <p>2. Develop and maintain productive relationships with government agencies and local cities and counties.</p> <p>3. Increase local business participation with SFO.</p> <p>4. Develop and maintain a model employment development program for the benefit of the communities that SFO serves.</p>

Customers and passengers

San Francisco International Airport has set a goal of being the #1-ranked airport among U.S. international gateway airports in customer satisfaction. For overseas travelers, our goal is to achieve this ranking by 2012 via the Skytrax International Survey. For North American travelers, our goal is achievement by 2016, via the ACI-ASQ survey.

We have identified the other U.S. international gateway airports as those serving the cities of Boston, New York, Newark, Washington D.C., Atlanta, Chicago, Miami, Houston, Dallas and Los Angeles.

OBJECTIVE I: BE RANKED #1 BY PASSENGERS IN THE FOLLOWING CATEGORIES:

- U.S. international gateway airport for customer satisfaction by ACI-ASQ survey
- U.S. international airport in customer satisfaction for overseas travelers by Skytrax survey

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE I	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Provide an attractive, modern, inviting, efficient and comfortable airport with world-class services and amenities and service-oriented staff.	Chief Operating Officer
2. Enhance way-finding and other signage by engaging an industry consultant to complete a program review by the end of 2011.	Operations
3. Work closely with U.S. Customs and Border Protection, TSA and Covenant Aviation to remedy security line delays and to ensure that line wait times are predictable and shorter than U.S. lines on average.	Operations
4. Work closely with TSA to provide more space and lighting at checkpoints and to improve overall ambiance.	Chief Operating Officer, Bureau of Design & Construction, Operations
5. Further work with TSA to ensure checkpoint staff is friendly and courteous.	Operations & Marketing & Communications

OBJECTIVE II: CUSTOMERS WILL CONSIDER SFO FACILITIES AND SERVICES WORLD CLASS

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. By 2012, develop a plan for Secure Connector from International Terminal Boarding Area A to T-1 and onto T-2.	Bureau of Design & Construction
2. By 2012, establish a schedule and program to build a new Boarding Area B.	Bureau of Design & Construction
3. Provide world class quality facilities (including restrooms).	Bureau of Design & Construction
4. Develop a program and Ground Transportation Plan by 2012 to reduce curbside congestion. Evaluate the following: <ul style="list-style-type: none"> • Commercial Ground Transportation Center • Roadway level assignments • Promotion of High Speed Rail long-term (2020 and beyond). 	Operations
5. Develop by 2011 and begin to implement by 2012 a program to expand information accessibility, the number of Ambassadors, and foreign language services.	Marketing & Communications
6. By 2012, implement a customer Technology Enhancement Program which would include the following: <ul style="list-style-type: none"> • Fast, free, quality WiFi • Add rapid charging stations and power outlets throughout Airport. • Invest in common-use cabling structure to support electronic boarding passes and self-tagging of luggage. • Offer applications for mobile devices. • Enhance interactive website. 	Business & Finance
7. Add more post-security children's play areas by 2012.	Business & Finance Business & Finance (rapid charging stations) Facilities Power Outlets Administration Marketing & Communications Marketing & Communications Business & Finance

OBJECTIVE III: BE NIMBLE ABOUT MEETING PASSENGER DEMANDS AND NEEDS FOR SERVICES

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE III	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. By 2011, develop a program to significantly expand concessions in T-3.	Business & Finance
2. By 2013, develop a program for new and expanded concessions in the International Terminal.	Business & Finance
3. By 2012, evaluate viability of following new services: <ul style="list-style-type: none"> • Sleeping pods/hotel in T-3 • Airport Gas Station/Convenience Store • Airport Pet Motel 	Business & Finance
4. Offer a common-use baggage re-check counter in the International Terminal.	Marketing & Communications
5. Enhance post-security museum displays.	Museums
6. Improve customer service and overall customer experience by instituting customer service level agreements for vendors and tenants.	Marketing & Communications and Business & Finance
7. Provide work areas and work stations for business travelers.	Facilities and Business & Finance
8. Develop a program by 2012 to provide information, hotlines, and targeted services for passengers who have significant delays.	Marketing & Communications

OBJECTIVE IV: SFO WILL BE THE AIRPORT OF CHOICE FOR PREMIUM PASSENGERS

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE IV	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Develop program by 2012 to ensure adequacy of space for airlines to open new clubs and to expand existing clubs.	Business & Finance
2. Offer first-class/premium checkpoint lines in all terminals.	Operations
3. Offer full range of services desired by business travelers (for example, quality restaurants, work stations, free WiFi, short and predictable security lines, on-time flights).	Business & Finance
4. Expand and reconfigure T-3 checkpoints by 2014.	Bureau of Design & Construction

OBJECTIVE V: HAVE THE MOST EFFICIENT AIRPORT GROUND TRANSPORTATION SYSTEM IN THE COUNTRY

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE V	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Increase airport transportation ridership* by 10 percent within 5 years *Airport transportation ridership will be defined as public transit (BART, Samtrans, Caltrain), shared ride, charters, hotel courtesy shuttle and scheduled airporter service. Currently airport transportation ridership is approximately 28 percent (12 percent transit and 16 percent other). The goal would be to obtain 31 percent ridership by 2015.	Operations, with Marketing & Communications
2. Create an environmentally sustainable system through the implementation of the airport's clean vehicle policy and other environmental initiatives.	Operations
3. Obtain 100 percent cost recovery by each mode within 5 years	Operations and Business & Finance
4. Develop a new ground transportation master plan	Operations

Airlines, aircrafts, routes

The Airport anticipates strong international growth in the next five years (estimated four percent to six percent) and modest domestic growth (slightly more than one percent). Elsewhere in the Bay Area, Oakland and San Jose airports should see domestic passenger growth as more East and South Bay residents use their closest airports for domestic travel. We will take a leadership role in supporting regional planning efforts to ensure the Bay Area's airports can meet passenger demands.

We will target new Asian and Middle East flights, especially China and India, which

are expected to experience the strongest global economic growth and which have strong ties to the Bay Area. Additionally, new flights serving Europe, South America and Australia/New Zealand will be important to our growth.

Recognizing that we have limited runway capacity, we will work to increase those flights that produce the greatest numbers of passengers – i.e. international, wide-body flights, and will implement NextGen FAA technology as it becomes available.

OBJECTIVE I: ENSURE SFO CAN MEET PASSENGER TRAFFIC GROWTH IN THE NEXT FIVE YEARS AND IMPROVE AIRLINES' ON TIME ARRIVAL PERFORMANCE TO 75 PERCENT

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE I	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Support regional airport planning efforts and an approved new Regional Airport System Plan by 2012.	Planning
2. Manage growth to meet runway capacity	Planning and Business & Finance

OBJECTIVE I: CONTINUED

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE I - CONTINUED	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
3. Seek to reduce delays a) Work with FAA to install NextGen technology (ADSB with multi-lateration) by 2014.	Planning
b) Work with FAA to allow use of PRM/SOIA at ceiling levels down to 1,600 feet by 2011 (current limit is 2100 feet).	Planning
c) Engage FAA and airlines in discussions on delays with goal of improving airline scheduling (2011, and every two years thereafter).	Planning

OBJECTIVE II: ENSURE COMPETITIVE AIR SERVICE

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Maintain at least 22 percent non-legacy carriers' market share.	Marketing & Communications
2. Encourage and support airline service and fare competition.	Marketing & Communications
3. Encourage airlines to provide high level of responsiveness to passengers when delays and cancellations occur.	Marketing & Communications
4. Within five years, commence work on a new air cargo facility to replace outdated cargo buildings; and refurbish existing cargo buildings to extend their useful lives and improve operating efficiencies.	Business & Finance
5. Maintain common-use operation and flexible leasing policies to make it easy for airlines to grow or for new entrant airlines to start service.	Business & Finance
6. Be committed to an open and level playing field for both existing and new airlines.	Business & Finance
7. Support airline alliances and passenger connectivity by supporting airlines to relocate adjacent to their alliance partners.	Business & Finance
8. By 2012, develop a plan for secure connector from T-1 and T-2 to the International Terminal Boarding Area A.	Bureau of Design & Construction

OBJECTIVE III: INCREASE CURRENT INTERNATIONAL PASSENGER TRAFFIC BY 30 PERCENT IN FIVE YEARS

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE III	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Target new Asian and Middle East flight growth, achieving at least four (4) new daily Asian flights by 2015.	Marketing & Communications
2. Target China and India markets with at least two (2) new cities receiving service by 2013.	Marketing & Communications
3. Target new flights to/from Europe, South America, and Australia, with at least three (3) new daily flights by 2015.	Marketing & Communications
4. Promote SFO and SF to foreign visitors, in partnership with the SF Travel Association.	Marketing & Communications
5. Attract three (3) new daily flights to Mexico by 12/31/11.	Marketing & Communications

OBJECTIVE IV: MAINTAIN AVERAGE CPE BELOW \$18.90* IN ORDER TO MAINTAIN AND ATTRACT AIRLINE SERVICE

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE IV	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Manage capital costs to the airport and airlines	Business & Finance
a) Invest strategically in projects	Business & Finance
b) Maximize our grants	Business & Finance
c) Be strategic about use of Passenger Facility Charges (PFCs)	Business & Finance
d) Achieve the highest appropriate bond rating to minimize the airport's borrowing costs.	Business & Finance
2. Control operating expenses	Business & Finance
3. Increase non-airline revenue	Business & Finance
4. Increase the number of international passengers	Marketing & Communications

* In constant FY 07-08 dollars.

Non-airline revenue

In order to remain competitive, maintain a suitable mix of airlines and to attract new air service, it is essential that we control our Costs Per Enplaned passenger (CPE) to airlines. It is a given in the airline industry that revenue yields and costs are key considerations by airlines in determining new and current markets.

When SFO's International Terminal opened in 2000, our CPE increased to an all-time high. We reduced costs and increased non-airline revenue to successfully reduce the

CPE by nearly 40 percent. Since 2000, the airport has attracted a net gain of 16 new airlines, many of which are directly attributable to a lowered CPE.

Our challenge today is to control the CPE even as we make necessary capital improvements to the airport. We have set the CPE at an amount not to exceed \$18.90 in constant FY 07-08 dollars. A key component to meeting this goal is to increase non-airline revenues.

OBJECTIVE I: AS PART OF MAINTAINING AVERAGE CPE BELOW \$18.90*, ACHIEVE NON-AIRLINE REVENUES BELOW:

	OBJECTIVE I				
	FY 11 / 12	FY 12 / 13	FY 13 / 14	FY 14 / 15	FY 15 / 16
TOTAL (\$MILL):	\$ 357.7	\$ 374.6	\$ 386.7	\$ 395.6	\$ 402.8
INCREASE:	\$ 11.2	\$ 16.9	\$ 12.1	8.8 %	7.2 %
PERCENT:	3.2 %	4.7 %	3.2 %	2.3 %	1.8 %

* In constant FY 07-08 dollars.

OBJECTIVE II: INCREASE PER PASSENGER SPENDING ANNUALLY AS FOLLOWS:

OBJECTIVE II	
FOOD & BEVERAGE:	2.5 %
RETAIL:	3.0 %
DUTY FREE:	3.5 %

FOR THE FIRST YEAR:

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVES I & II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Conduct a review of public parking rates to see what adjustments can be made to increase public parking revenue.	Business & Finance
2. Pursue non-traditional advertising mediums on a test basis; institute a new approval process for non-traditional revenue opportunities, and retain a consultant to advise on the installation of new dynamic concessions/promotional signage	Business & Finance
3. Develop an umbrella program for public information, including ways to improve way-finding and concession signage in an integrated manner.	Business & Finance Operations Marketing & Communications
4. Develop and lease 26,120 square feet of additional concession space; maximize certain storefronts, and commercially develop Boarding Area F Hub mezzanine space.	Business & Finance
5. Investigate the feasibility of creating a luxury pod hotel.	Business & Finance
6. Investigate realigning storefronts to improve visibility of concessions and flow of passengers to concessions, thus improving concession sales.	Business & Finance
7. Investigate facilitation of greater representation of small and local businesses in our concessions program.	Business & Finance
8. Develop an outreach plan to market vacant space to potential tenants such as airlines and other firms in the air travel industry.	Business & Finance

IN THREE YEARS:

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVES I & II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Ensure a luxury pod-hotel is in place, if deemed feasible.	Business & Finance
2. Complete periodic reassessments of the viability of an on-airport hotel.	Business & Finance
3. Implement new, non-traditional advertising initiatives and new, dynamic concessions/promotional signage.	Business & Finance
4. Implement a gas station/fast food/convenience store, which is currently in the initial environmental review stage.	Business & Finance
5. Ensure the vast majority of vacant space is rented.	Business & Finance
6. Implement new concession opportunities identified in Year One, such as a pet-hotel and yoga/meditation center.	Business & Finance

IN FIVE YEARS:

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVES I & II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Acquire land adjacent to SFO and pursue development for uses such as aviation support, cargo, and automobile parking.	Business & Finance

Employees and organization

SFO employees have demonstrated their pride in the Airport and in the services and amenities it provides to customers. For SFO to fulfill its mission and goals and to be prepared to respond effectively to any major challenges in the years ahead, it is our desire that all commission

employees be engaged, committed and energetic. In turn our management must be prepared to respond to the needs of employees and to increase workplace and training opportunities. Accordingly, two overarching objectives have been established:

OBJECTIVE I: TO BE RANKED ONE OF THE BAY AREA'S BEST EMPLOYERS IN S.F. BUSINESS TIMES' ANNUAL LIST

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE I	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Increase career development opportunities.	Administration
2. Ensure regular acknowledgement and rewards for outstanding employee contributions.	Administration Marketing & Communications
3. Increase coaching and mentoring opportunities.	Administration
4. Make specific workplace enhancements.	Administration Facilities
5. Ensure inclusiveness and sociability.	Marketing & Communications

OBJECTIVE II: TO BE KNOWN FOR INNOVATION, EXPERTISE, AND MANAGEMENT EXCELLENCE IN THE AVIATION INDUSTRY

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Increase formal and informal communications.	Marketing & Communications
2. Improve understanding of the entire Airport among all sections.	Marketing & Communications
3. Communicate shared Mission, Vision, Core Values, Five-Year Objectives and Strategic Plan.	Marketing & Communications
4. Encourage greater use of cross-organizational task forces, committees, forums, cohort groups.	Chief Operating Officer & Senior Staff
5. Provide greater opportunities for employees to contribute to the Airport beyond their designated roles.	Chief Operating Officer & Senior Staff
6. Ensure easier and more productive cross-organization interactions and collaboration.	Chief Operating Officer & Senior Staff
7. Provide leadership development opportunities.	Administration
8. Place emphasis on personal and organizational accountability.	Chief Operating Officer & Senior Staff

Environmental sustainability

We take our role seriously as a steward of the environment and we have been an airport industry leader in implementing new initiatives to reduce our carbon footprint. We desire to become one of the first airports in the world to achieve carbon neutrality without the use of carbon offset purchases.

We also intend to achieve a 50 percent reduction in green house gas (GHG) emissions from SFO-controlled operations by 2015 and to work with all stakeholders (tenants, vendors and permittees) to ensure environmental gains in all areas. We will seek to be a catalyst for change in stake-

holder practices by utilizing education, partnerships, financial incentives and new policy initiatives.

A sustainability committee will be charged with continuously exploring new options to ensure our leadership and continued progress. The committee will develop an established formula to gauge proposals' economic and environmental returns; will consider environmental minimum standards in Airport contracts and leases, and will work closely with the City's Department of the Environment, the Mayor's Office environmental staff and the PUC to identify energy saving opportunities.

OBJECTIVE I: BE ONE OF THE FIRST AIRPORTS TO ACHIEVE CARBON NEUTRALITY BY 2012 AND MAINTAIN IT THEREAFTER

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE I	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Provide pre-conditioned air (PC Air) to Boarding Areas B and E.	Bureau of Design & Construction
2. Provide PC Air at T2.	Bureau of Design & Construction
3. Implement energy efficiency projects including replacing an existing inefficient boiler and chiller in the Central Plant.	Bureau of Design & Construction
4. Provide for enhanced recycling through the new solid waste management contract.	Bureau of Design & Construction

OBJECTIVE II: ACHIEVE 50 PERCENT (50%) REDUCTION IN BASELINE GHG EMISSIONS FROM SFO-CONTROLLED OPERATIONS BY 2015

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Implement energy efficiency projects including replacing an existing inefficient boiler and chiller in the Central Plant Facilities.	Bureau of Design & Construction and Facilities
2. Complete the ongoing lighting efficiency projects.	Bureau of Design & Construction and Facilities
3. Implement other energy efficiency projects identified in the SFPUC audit.	Bureau of Design & Construction and Facilities
4. Implement natural gas efficiency projects.	Bureau of Design & Construction and Facilities
5. Replace aging fleet vehicles.	Facilities
6. Install additional solar panels.	Facilities
7. Require commercial ground transportation operators to comply with the airport's clean vehicle policy.	Operations

OBJECTIVE III: ACHIEVE INCREASE IN THE SOLID WASTE RECYCLING RATE TO 80 PERCENT (ADDITIONAL GHG MITIGATION OF 1,000 TONS PER YEAR). BDC/FACILITIES

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE III	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Develop the new solid waste management contract to be issued in January 2011 with a minimum offsite recycling rate of 40 percent and with an annual increase of two percent in the amount of recycling occurring at the service provider's facility.	Bureau of Design & Construction and Facilities
1. Increase the source separation rate for paper, bottles, cans, metals, etc. at SFO by an additional five percent in the next five years.	Bureau of Design & Construction and Facilities

OBJECTIVE IV: ACHIEVE LEED GOLD CERTIFICATION IN ALL NEW BUILDINGS

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE IV	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Revise the Airport design contract boilerplate to include the obligation for the architectural/engineering (A/E) firm to design all new buildings to achieve LEED Gold certification.	Bureau of Design & Construction and Facilities
2. Develop Airport design guidelines that provide direction to A/E firms on pursuing LEED certification points that take advantage of airport systems and policies.	Bureau of Design & Construction and Facilities
3. Aggressively pursue solar projects, which have a significant benefit in achieving LEED points.	Bureau of Design & Construction and Facilities
4. Explore the cost and feasibility for obtaining LEED O&M certification for the entire terminal complex and obtain the required certification if practical.	Bureau of Design & Construction and Facilities

Safety and security

The safety and security of SFO is a basic tenet in the Airport's doctrine. Passengers, airlines, tenants and employees depend on the Airport and international security systems to provide a safe and secure environment for aviation travel.

We are committed to meeting and exceeding all aviation safety and security

regulations. We set internal standards that exceed regulatory compliance and encourages teamwork among all security-related agencies. Through the use of advanced technology, implementation of best practices and expert outside evaluations, we are continually improving our safety and security profile.

OBJECTIVE I: TO BE AN INNOVATIVE LEADER IN AIRPORT SAFETY AND SECURITY, IMPLEMENTING AT LEAST TWO NEW INDUSTRY-LEADING SECURITY PROGRAMS IN THE NEXT FIVE YEARS

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE I	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Remain aware of global best practices; seize industry leading and cutting edge opportunities after careful evaluation of prospective benefits, risks, and costs.	Operations
2. Pursue cutting edge passenger security checkpoint designs by expanding the T2 state-of-the-art checkpoint layout into T3 and T1.	Operations
3. Completion of key technology upgrade projects for the CCTV and Access Control Systems with deployment throughout all terminals.	Operations

OBJECTIVE II: MAINTAIN SFO'S AIRFIELD IN AS SAFE AS POSSIBLE CONDITION THROUGH THE USE OF TECHNOLOGY, PROCEDURES, INSPECTIONS AND CONTINUAL EVALUATION OF AIRFIELD BEST PRACTICES

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Coordinate the FAA's installation and construction of a comprehensive Runway Status Light, Multilateration and Runway Safety Area systems for completion by 2015	Operations
2. Establish an improved wildlife management program; including the appointment of a dedicated wildlife control safety officer.	Operations
3. Adoption and use of a Safety Management System in planning for all airfield activities.	Operations

OBJECTIVE III: BE THE LEAST VULNERABLE U.S. AIRPORT TO TERRORIST ACTIVITY AND POSSESS THE BEST INTEGRATED RESPONSE CAPABILITY

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE III	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Complete recommendations from the 2010 Airport Threat and Vulnerability Assessment Report by 2013. Secure five-year capital plan funding to support the recommendations.	Operations
2. Work in partnership with the TSA to best understand and anticipate its procedures, plans, and likely policy and technology evolution.	Operations

OBJECTIVE IV: COORDINATE THE SHARING OF INFORMATION AND PLANNING AMONG ALL FEDERAL AND LOCAL LAW ENFORCEMENT AGENCIES TO INSURE ALL THE DOTS ARE CONTINUALLY CONNECTED

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE IV	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. SFPD, SFFD and Airfield Safety staffing levels, equipment and training will be current and appropriate for their mission.	Operations
2. Airport staff will coordinate the activity, intelligence sharing and preparedness among all departments that share in the security of SFO.	Operations
3. Continue the nine-year history of holding weekly security operational meetings.	Operations

Infrastructure

Given the capital-intensive nature and the age of some SFO facilities, along with continued traffic growth and an ongoing commitment to controlling costs to the airlines, we will invest in capital projects strategi-

cally over the next five years. At the same time, we will keep an eye toward infrastructure investments needed beyond that timeframe.

OBJECTIVE I: AS PART OF MAINTAINING AVERAGE AIRLINE COST PER ENPLANED PASSENGER BELOW \$18.90, SFO WILL INVEST STRATEGICALLY IN CAPITAL PROJECTS

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE I	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Prioritize projects based on implications for meeting federal/state/local mandates, on contribution to enhanced safety and security on-preservation and on maintenance of existing assets, enhancement of customer service, and environmental sustainability.	Business & Finance
2. Maximize grants for eligible projects, but evaluate the full implications of proceeding with an otherwise low-priority project, including operating cost implications.	Business & Finance
3. Deliver facilities on a just-in-time basis to meet demand, thereby minimizing debt-carrying costs.	Bureau of Design & Construction and Planning
4. Implement the recommendations of the Process Mapping Study for the Airport's Capital Improvement Program (CIP).	Chief Operating Officer

OBJECTIVE II: MINIMIZE OVERALL LIFE-CYCLE COSTS OF FACILITIES

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Get the full value out of the Airport's assets—maximizing the use of underutilized or vacant space such as office space cargo facilities and (in the future) hangars.	Business & Finance
2. Assess total maintenance and operating costs for each asset over time, and identify the optimal timing for routine maintenance, major maintenance, renovation and asset replacement.	Facilities & Administration

OBJECTIVE III: MAINTAIN THE AIRPORT'S INFRASTRUCTURE IN OPTIMAL CONDITION

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE III	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Identify infrastructure projects needed to keep pace with traffic growth.	Chief Operating Officer & Planning
2. Implement a comprehensive asset management function supported by appropriate software systems to document the condition of existing assets, anticipate rehabilitation and replacement needs, and ensure SFO maintains its assets in the most cost-effective manner.	Chief Operating Officer
3. Deliver needed infrastructure projects on time and on budget.	Chief Operating Officer

OBJECTIVE IV: CONTINUE TO INVEST IN CAPITAL PROJECTS THAT MAKE THE AIRPORT ENVIRONMENTALLY SUSTAINABLE

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE IV	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Complete installation of pre-conditioned air (PC Air) at all airport gates.	Facilities and Bureau of Design & Construction
2. Implement energy efficiency projects, such as replacing a boiler and chiller at the Central Plant, lighting efficiency projects, and other projects identified in the SF PUC Audit.	Facilities
3. Replace aging fleet vehicles.	Facilities
4. Increase solid waste recycling.	Facilities

OBJECTIVE V: IMPLEMENT PROJECTS THAT WILL GENERATE NET REVENUE TO THE EXTENT POSSIBLE, WHILE MEETING THE AIRPORT'S MISSION

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVE V	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Identify optimal terminal space reconfiguration and concession projects to enhance security checkpoints and increase airport net revenue.	Business & Finance
2. Implement a gas station/fast food/convenience store development project.	Business & Finance
3. Investigate the feasibility of potential revenue-producing projects that would enhance the customer experience, such as a luxury pod hotel, pet hotel, and yoga/meditation center.	Business & Finance
4. Evaluate the potential financial return and optimal timing for future projects that may be undertaken beyond a five-year time-frame, such as an additional garage adjacent to the existing long-term parking garage and an on-airport hotel.	Business & Finance
5. Identify and acquire land adjacent to SFO to pursue future development for uses such as aviation support, cargo, and automobile parking.	Business & Finance

External relations

A key component in the success of SFO is its strong and successful relationship with local communities and government agencies. As a major Bay Area economic engine, we serve local communities by providing jobs and business opportunities. In addition, our positive relationship with local communities builds credibility and support for our mission and goals of SFO.

A strategic outreach and communications plan is necessary to ensure stakeholder participation and input on our operations. Local communities should be partners and benefit from SFO's role as an economic driver in the region. We are committed to the creation of business opportunities, careers, jobs and internship programs that benefit area residents and businesses.

OBJECTIVE I: SUPPORT AWARENESS AMONG GOVERNMENT ENTITIES OF SFO AS A SUCCESSFUL ENTERPRISE AND A VALUABLE ASSET TO SAN FRANCISCO AND BAY AREA COMMUNITIES

OBJECTIVE II: DEVELOP AND MAINTAIN PRODUCTIVE RELATIONSHIPS WITH GOVERNMENT AGENCIES AND LOCAL CITIES AND COUNTIES WHICH WILL PROVIDE FOR AN OPEN EXCHANGE OF IDEAS AND COLLABORATION OPPORTUNITIES

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVES I & II	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Assess the adequacy of communications and relationship management between SFO and the various governmental agencies and stakeholder communities.	Government Affairs
2. Ensure continuous positive interactions with counterparts in other city agencies.	Government Affairs

OBJECTIVE III: INCREASE LOCAL BUSINESS PARTICIPATION WITH SFO

OBJECTIVE IV: DEVELOP AND MAINTAIN A MODEL EMPLOYMENT DEVELOPMENT PROGRAM FOR THE BENEFIT OF THE COMMUNITIES THAT SFO SERVES

STRATEGIC INITIATIVES TO ACHIEVE OBJECTIVES III & IV	
STRATEGIC INITIATIVES	LEAD DIVISION(S)
1. Conduct greater outreach to better inform local communities about business opportunities at SFO.	Administration Business & Finance
2. Increase the amount of business SFO does with local firms.	Business & Finance
3. Encourage and facilitate SFO business partners' (e.g., airlines) hiring of local interns	Administration
4. Improve the quality and breadth of select internship programs.	Administration

Standard operating procedures (SOPs) at SFO (Our Code of Conduct, developed by employees)

1. WE INTERACT with one another consistent with our core values, in an environment of mutual trust and cooperation.
2. WE RESOLVE past disputes so they do not hinder current or future work relationships.
3. WE TRY to meet everyone's needs in resolving issues. If an employee is coming to you with a problem, it is not THEIR problem - it is OUR problem. If you are asked for help, your best efforts are expected.
4. WE ASSIST willingly. Assistance should not be given begrudgingly. It is part of our jobs to help one another in a spirit of good will.
5. WE LISTEN to what others have to say, and be sure to understand it. We make genuine attempts to make ourselves clearly understood.
6. WE MAXIMIZE face-to-face meetings or telephone calls and minimize the use of email to discuss problems and issues. Emails are best used to transmit factual information and not opinions, especially in potentially volatile situations.
7. WE SHARE information willingly with one another.
8. WE ALLOW those closest to the issues first attempt to resolve problems.
9. WE RAISE issues that are not resolved expeditiously to higher levels in a professional, non-personal manner.
10. WE HAVE shared responsibilities to uphold our core values. We are accountable for our behavior. We will not tolerate rude, uncooperative, disrespectful or dismissive behavior.

San Francisco International Airport Fact Sheet

PASSENGERS (CALENDAR YEAR 2009)			
Total Airport Passengers (10th in U.S., 21st in the world in 2008)	37,402,455	Bay Area Market Share	56.3%
Domestic Enplaned and Deplaned Passengers (75.8%)	28,102,527	Bay Area Market Share	50.1%
International Enplaned and Deplaned Passengers (24.2%)	8,964,202	Bay Area Market Share	93.2%
Traffic by Region (Share of International SFO International Passengers)		Asia	46.5%
		Europe	26.2%
		Canada	13.7%
		Mexico/Caribbean/ Central America	8.1%
		Australia/Oceania	5.3%
Average Number of Passengers per Day (2010)		102,192	
Most Passengers in a Year (2000)		41,040,995	

OPERATIONS (CALENDAR YEAR 2009)	
Total Operations	387,710
Total Air Carrier Operations (73%)	284,163
Total Commuter Operations (22%)	85,394
Total General Aviation Operations (4%)	15,478
Total Military Operations (<1%)	2,675
Average Number of Operations per Day	1059
Most Operations in a Year (1999)	438,685

CARGO (CALENDAR YEAR 2009)			
Total Loaded and Unloaded Cargo (Air Mail & Freight)	493,628 metric tons	Bay Area Market Share	42.9%
Total Domestic Cargo (Air Mail & Freight)	205,210 metric tons	Bay Area Market Share	27.2%
Total International Cargo (Air Mail & Freight)	288,418	Bay Area Market Share	91.1%

San Francisco International Airport Fact Sheet

AIRLINES AT SFO (CALENDAR YEAR 2009)	
Total Number of Airlines Operating at SFO	54
Domestic Passenger Carriers	17
International Carriers	23
Commuter Air Carriers	5
Seasonal / Charter Air Carriers	2
Cargo Only Air Carriers	9

AIRLINE MARKET SHARE AT SFO			
United Airlines	41.0%	Air Canada	1.5%
American	9.0%	Cathay Pacific	1.2%
Southwest	5.7%	JetBlue	1.2%
Virgin America	4.9%	Lufthansa	1.1%
US Airways	4.6%	British Airways	1.1%
Delta Airlines	4.2%	Frontier	1.0%
Northwest Airlines	3.7%	Singapore	1.0%
Continental Airlines	3.6%	All Other Air Carriers (each)	1.0%
Alaska Airlines	2.9%		

TOP FIVE DOMESTIC MARKETS (WEEKLY FLIGHTS)	
Los Angeles - (BUR / LAX / ONT / SNA)	500
New York - (JFK / EWR)	220
Las Vegas - (LAS)	167
San Diego - (SAN)	148
Chicago - (ORD / MDW)	131

REACHING FOR
Number





SAN FRANCISCO, CALIFORNIA 94128

WWW.FLYSFO.COM

**APPENDIX D
PARTNERING REQUIREMENTS**

PART 1 - GENERAL

1.1 PARTNERING LEVEL

A. These Projects shall incorporate the required partnering elements for **Partnering Level 5**.

Level	Estimated Construction Amount	Complexity	Political Significance	Relationships
5	\$200 million +	Highly technical and complex design & construction	High visibility/oversight; significant strategic project	New project relationships; high potential for conflict (strained relationship, previous litigation, or high probability of claims)
4	\$50 - \$200 million	High complexity – schedule constraints, uncommon materials, etc.	Probable	New contractors or CM, new subs
3	\$20 - \$50 million	Increased complexity	Likely, depending on the location and other project characteristics	Established relationships; new CM, subs, or other key stakeholders
2	\$5 - \$20 million	Moderate complexity	Unlikely, unless in a place of importance	Established relationships; new subs, new stakeholders
1	\$100,000 - \$5 million	Standard complexity	Unlikely, unless in a place of importance	Established relationships; new subs, new stakeholders

1.2 SUMMARY

- A. This Section specifies the requirements for establishing a collaborative partnering process. The partnering process will assist the City and Contractor to develop a collaborative environment so that communication, coordination, and cooperation are the norm, and to encourage resolution of conflicts at the lowest responsible management level.
- B. The partnering process is not intended to have any legal significance or to be construed as denoting a legal relationship of agency, partnership, or joint venture between the City and Contractor.
- C. This Section does not supersede or modify any other provisions of the Contract, nor does it reduce or change the respective rights and duties of the City and Contractor under the Contract, nor supersede contractual procedures for the resolution of disputes.

1.3 PURPOSE/GOALS

- A. The goals of project partnering are to:
1. Use early and regular communication with involved parties;
 2. Establish and maintain a relationship of shared trust, equity and commitment;
 3. Identify, quantify, and support attainment of mutual goals;

4. Develop strategies for using risk management concepts and identify potential project efficiencies;
5. Implement timely communication and decision-making;
6. Resolve potential problems at the lowest possible level to avoid negative impacts;
7. Hold periodic partnering workshops throughout the life of the contract to maintain the benefits of a partnered relationship;
8. Establish periodic joint evaluations of the partnering process and attainment of mutual goals.

1.4 DEFINITIONS

- A. Unless specifically defined in this Section 01 31 33, all terms have the same meaning as defined in Section 00 72 00, General Conditions.
- B. **Stakeholders:** Any person or entity that has a stake in the outcome of a construction project. Examples include the end users, neighbors, vendors, special interest groups, those who must maintain the facility, those providing funding, and those who own one or more of the systems.
- C. **Project Team:** Key members from the City and Contractor organizations responsible for the management, implementation, and execution of the Projects, and will participate in the partnering process.

PART 2 - PARTNERING PROCESS

2.1 SELECTION OF A FACILITATOR

- A. An Internal Facilitator or a Professional Neutral Facilitator shall be retained for projects with a Partnering Level of 1 through 3. A Professional Neutral Facilitator must be retained for projects with a Partnering Level of 4 or 5. The City and Contractor shall meet as soon as practicable after award of Contract to work cooperatively and in good faith to select a Facilitator.
- B. An Internal Facilitator is a trained employee or representative of the City who provides partnering facilitation services.
- C. A Professional Neutral Facilitator must have the following qualifications:
 1. The Facilitator shall be trained in the recognized principles of partnering;
 2. The Facilitator shall have at least three (3) years' experience in partnering facilitation with a demonstrated track record, including public sector construction for a city or other municipal agency;
 3. The Facilitator shall have a skill set that may include construction management, negotiations, labor-management mediation, and/or human relations; and
 4. The Facilitator must be in the business of providing partnering services for construction projects.
- D. Within thirty (30) days of NTP, Contractor and the selected Professional Neutral Facilitator shall execute an agreement that establishes a budget for fees and expenses of

the Facilitator, workshop site costs, if any, and the describe the Facilitator's role for the Projects consistent with the requirements of this Section. The scope of the Facilitator's role is for descriptive purposes only and is not a guarantee for payment as the scope of work will be revised as needed throughout the Projects. The agreement shall be terminable at will.

- E. The Facilitator shall be evaluated by the Project Team: (1) at the end of the Kick-off Partnering Workshop; and (2) at the Project close-out partnering session.
- F. In the event that either Contractor or the City is not satisfied by the services provided by the Facilitator, a new mutually acceptable Facilitator shall be chosen in a reasonable amount of time in the same manner pursuant to Subparagraph A above, and a new agreement shall be executed by Contractor and the new Professional Neutral Facilitator pursuant to Subparagraph D above.

2.2 PARTNERING ELEMENTS

- A. All Partnering Levels require the following elements:
 - 1. **Executive Sponsorship.** Commitment to and support of the partnering process from the senior most levels of the City and Contractor organizations.
 - 2. **Collaborative Partnering.** A structured and scalable process made up of elements that develop and grow a culture (value system) of trust among the parties of a construction contract. Together, the combination of elements including the Partnering Charter, Executive Sponsorship, partnering workshops, an accountability tool for the Project Team (Scorecards), and the Facilitator create a collaborative atmosphere on each project.
 - 3. **Facilitator.** Depending on the Project's Partnering Level, the City and Contractor shall retain either an Internal Facilitator or a Professional Neutral Facilitator according to the process listed in subparagraph 2.1 above to lead workshops.
 - 4. **Partnering Charter and/or mission statement.** The City and Contractor shall create a Partnering Charter that is the guiding focus for the Project Team. It documents the team's vision and commitment to work openly and cooperatively together toward mutual success during the life of the Projects. The Partnering Charter helps to maintain accountability and clarity of agreements made and allows for broader communication of the team's distinct goals and partnering process. At a minimum, the Partnering Charter must include the following elements:
 - (a) Mutual goals, including core project goals and may also include project-specific goals and mutually-supported individual goals. The required core project goals relate to project schedule, budget, quality, and safety.
 - (b) Partnering maintenance and close-out plan, including partnering session attendees and frequency of workshops.
 - (c) Dispute resolution plan that includes an Escalation Resolution Ladder.
 - (d) Team commitment statement and signatures.
 - 5. **Partnering Workshops.** At a minimum, the following two workshops are required:
 - (a) **Kick-off Partnering Workshop.** Within 45 days of NTP, the City and Contractor shall meet for the Kick-off Partnering Workshop; determine the workshop site and duration, and other administrative details. At the Kick-off Partnering Workshop, the City, Contractor, and Facilitator shall meet to

mutually develop a strategy for a successful partnering process and to develop their Partnering Charter.

- (b) **Close-out Partnering Workshop.** Prior to final closeout, the City and Contractor shall schedule the Close-out Partnering Workshop. At the Close-Out Partnering Workshop, the City, Contractor, and Facilitator, shall meet to discuss lessons learned throughout the Projects, focus on ensuring continued collaboration and cooperation through the end of the Projects, and to discuss requirements for the close-out process. At the conclusion of the workshop, a summary of the lessons learned should be prepared to be distributed to the Project Team. The City and Contractor shall also evaluate the Facilitator.

The Project Team may participate in additional workshops during the life of the Projects as they agree is necessary and appropriate. Each workshop is a formalized meeting focused on developing a collaborative culture among the Project Team. The Project Team will use these workshops to set Project goals, define Project commitments, attend joint training sessions, and perform other tasks.

- 6. **Multi-tiered Partnering (Core Team – Executive – Stakeholder).** The Partnering Team will divide into smaller groups and convene multiple workshops including a Core Team Workshop, an Executive Workshop, and a Stakeholder Workshop.

- (a) **Core Team Workshop.** The Core Team is made up of Project Team members who are a part of the Projects for its duration, including the following (not in order of hierarchy):

City:	Contractor:
Resident Engineer	Building Superintendent
Project Manager	Project Executive
Construction Manager	Jobsite Supervisor
Engineer, Architect	Project Engineer
Division Manager	Subcontractors
Construction Engineer	Key suppliers
Inspectors	Senior Management (e.g. Area Manager, Operations Manager, VP, President, Owner)
Client Department representative	
Critical third parties: stakeholders, other agencies, utilities, etc., or anyone who could potentially stop or delay the Projects.	

- (b) **Executive Workshop.** The senior leaders of the City and Contractor may form a Project Board of Directors. The Project Board of Directors is charged with steering the Projects to success.
- (c) **Stakeholder Workshop.** As the Projects progress, various systems and processes will be the focus. The Stakeholder Workshop is a meeting of the key stakeholder groups, made up of Stakeholders that are involved in the current focus of the systems or processes.
- (d) **Special Task Forces.** The Project Team may task a subset of its members to work on a particular issue or opportunity for the good of the overall Projects.

7. **Escalation Resolution Ladder.** The City and Contractor shall mutually develop an Escalation Resolution Ladder, which is a stepped process that formalizes the negotiation between the Parties. The intent of this ladder is to provide a process that elevates issues up the chain of command between the Parties. The objective is to resolve issues at the lowest practical level and to not allow individual project issues to disrupt project momentum. When an issue is escalated one level, it is expected that a special meeting focusing on the negotiated settlement for that issue will be called with the goal of settling as quickly as possible.

Sample Escalation Resolution Ladder:

Level	Awarding City Department	Contractor	Time to Elevate
I	Inspector or Resident Engineer	Foreman/ Superintendent	1 day
II	Project Manager	Project Manager	1 week
III	Program Manager	Area Manager	1 week
IV	Division Manager	Operations Manager	2 weeks
V	Deputy Department Director	Owner; President	2 weeks

8. **Project Scorecards.** The City and Contractor shall participate in periodic partnering evaluation surveys to measure progress on mutual goals and short-term key issues as they arise. Project Scorecards are an accountability tool that allows the City and the Contractor to measure how well they are doing at following through on commitments made to one another. Typically the Project Scorecards are confidential surveys prepared and submitted to the Project Team by the Facilitator. The Facilitator typically then compiles the responses into a report which is then sent out to the Project Team for review.

B. **Level 1 Projects** require all of the following elements:

1. Kickoff Workshop
2. Partnering Workshops:
 - Executive Board Workshops – As Needed
 - Stakeholder Workshops – As Needed
 - Core Team Workshops – As Needed
3. Close-Out Workshop
4. No Project Scorecards are required. The City and Contractor may agree to participate in partnering evaluation surveys.

C. **Level 2 Projects** require all of the following elements:

1. Kickoff Workshop
2. Partnering Workshops:
 - Core Team Workshops – As Needed
 - Executive Board Workshops – As Needed

- Stakeholder Workshops – As Needed
3. Close-Out Workshop
 4. Two Project Scorecards are required. The City and Contractor may agree to participate in more regular partnering evaluation surveys.
- D. **Level 3 Projects** require all of the following elements:
1. Kickoff Workshop
 2. Partnering Workshops:
 - Core Team Workshops – Quarterly. Additional workshops may be led by the Professional Neutral Facilitator, and Internal Facilitator, or may be self-directed by the Project Team.
 - Executive Board Workshops – As Needed
 - Stakeholder Workshops – As Needed
 3. Close-Out Workshop
 4. Quarterly Project Scorecards are required. The City and Contractor may agree to participate in more regular partnering evaluation surveys. Monthly Project Scorecards are recommended.
- E. **Level 4 Projects** require all of the following elements:
1. Kickoff Workshop
 2. Partnering Workshops:
 - Core Team Workshops – Quarterly. Additional workshops may be led by the Professional Neutral Facilitator, and Internal Facilitator, or may be self-directed by the Project Team.
 - Executive Board Workshops – Quarterly
 - Stakeholder Workshops – Quarterly
 3. Close-Out Workshop
 4. Quarterly Project Scorecards are required. The City and Contractor may agree to participate in more regular partnering evaluation surveys. Monthly Project Scorecards are recommended.
- F. **Level 5 Projects** require all of the following elements:
1. Kickoff Workshop
 2. Partnering Workshops:
 - Core Team Workshops – Monthly. Additional workshops may be led by the Professional Neutral Facilitator, and Internal Facilitator, or may be self-directed by the Project Team.
 - Executive Board Workshops – Quarterly
 - Stakeholder Workshops – Quarterly

3. Close-Out Workshop
4. Monthly Project Scorecards are required.

2.3 COSTS

- A. The fees and expenses of the Internal Facilitator, if any, shall be paid by the City.
- B. The fees and expenses of the Professional Neutral Facilitator, if any, and workshop site costs, if any, shall be reimbursed by the City.
- C. If requested by the Airport, the Contractor shall pay the invoices of the Facilitator and/or workshop site costs after approval by both parties. Upon receipt of satisfactory evidence of payment of the invoices of the Facilitator by Contractor, the City will then reimburse the Contractor for such invoices from an Other Direct Cost (ODC) allowance included as an item in the Agreement. No mark-up, overhead or other fees shall be added to the partnering costs. If the total cost of the partnering is greater than the ODC amount, the Contract Sum shall be adjusted by Contract Modification.

END OF SECTION

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 18-0053

**APPROVAL OF MODIFICATION NOS. 3 & 4 TO PROFESSIONAL SERVICES
CONTRACT NO. 10071.41, PROJECT MANAGEMENT SUPPORT SERVICES FOR
THE TERMINAL 3 WEST MODERNIZATION PROJECT, WITH WCME JV, IN AN
AMOUNT OF \$5,900,000 FOR A NEW CONTRACT NOT-TO-EXCEED AMOUNT OF
\$14,000,000 FOR SERVICES THROUGH APRIL 4, 2019**

- WHEREAS, the Terminal 3 West Modernization Project will extend the useful life of the building to meet current code requirements and enhance overall passenger experience in Terminal 3; and
- WHEREAS, on February 16, 2016, by Resolution No. 16-0053, the Commission awarded this Contract to WCME JV for Project Management Support Services for the Terminal 3 West Modernization Project in the not-to-exceed amount of \$8,100,000 for the initial year of services; and
- WHEREAS, on March 21, 2017, by Resolution No. 17-0064, the Commission approved Modification No. 1 extending the contract for the second year of services through April 3, 2018 with no increase in the Contract amount;
- WHEREAS, by administrative Modification No. 2, the contract was amended to update labor rates; and
- WHEREAS, together Modification No. 3 and Modification No. 4 increase the Contract by \$5,900,000 for a new total contract not-to-exceed amount of \$14,000,000 to provide for the third year of services through April 4, 2019; and
- WHEREAS, Modification No. 3 increases the Contract amount by \$1,890,000 for a new contract not-to-exceed amount of \$9,990,000 to allow services to continue from the current Contract expiration date of April 3, 2018 through August 30, 2018; and
- WHEREAS, Modification No. 4 increases the Contract amount by \$4,010,000 for the remainder of the third year of services for a new Contract not-to-exceed amount of \$14,000,000 for services from September 1, 2018 through April 4, 2019; and
- WHEREAS, the current budget for this contract is \$60,000,000 with an anticipated duration of seven years of services through April 4, 2023; and
- WHEREAS, the City's Contract Monitoring Division has approved a Local Business Enterprise (LBE) subcontractor participation requirement of 20% for this Contract and WCME JV has committed to meeting that requirement; now, therefore, be it

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 18-0953

RESOLVED, that the Commission hereby approves Modification No. 3 to Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project with WCME JV, in an amount of \$1,890,000 for a new Contract not-to-exceed amount of \$9,990,000 for services through August 4, 2018; and, be it further

RESOLVED, that the Commission hereby approves Modification No. 4 to Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project with WCME JV, in an amount of \$4,010,000 for a new Contract not-to-exceed amount of \$14,000,000 for services through April 4, 2019; and, be it further

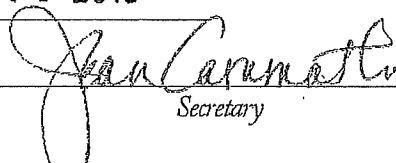
RESOLVED, that this Commission hereby directs the Commission Secretary to seek Board of Supervisors approval of this Contract required by San Francisco Charter Section 9.118(b) and an authorized not-to-exceed amount equal to the amount of the Contract budget of \$60,000,000 for services through April 4, 2023.

Page 2 of 2

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of

MAR 06 2018


Secretary

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 17-0034

APPROVAL OF MODIFICATION NO. 1 TO PROFESSIONAL SERVICES CONTRACT NO. 10071.41, PROJECT MANAGEMENT SUPPORT SERVICES FOR THE TERMINAL 3 WEST MODERNIZATION PROJECT AND THE BOARDING AREA F PASSENGER BOARDING BRIDGE PROJECT FOR AN ADDITIONAL YEAR OF SERVICES THROUGH APRIL 3, 2018

WHEREAS, the Terminal 3 West Modernization Project will include renovation of the existing terminal and construction of an expanded terminal area which will upgrade seismic performance, improve passenger flow, and enhance the passenger experience. The Boarding Area F Passenger Boarding Bridge Project has been deferred, but is anticipated to include improvements to enhance the guest experience and create revenue generating opportunities within the boarding area; and

WHEREAS, on February 16, 2016, by Resolution 16-0053, the Commission awarded a contract to WCME JV, a joint venture of PGH Wong Engineering, Inc., Cooper Puga Management, Inc., MCK Americas, Inc., and Environmental & Construction Solutions, for Project Management Support Services for the Terminal 3 West Modernization Project and the Boarding Area F Passenger Boarding Bridge Project in amount of \$8,100,000 for the first year of services; and

WHEREAS, Modification No. 1 is for the second year of services through April 3, 2018 with no change to the Contract amount; and


WHEREAS, the City's Contract Monitoring Division has approved a Local Business Enterprise sub-consultant participation requirement of 20% for this Contract and WCME JV, has committed to meeting that requirement; now, therefore, be it

RESOLVED, that the Commission hereby approves Modification No. 1 to Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project and the Boarding Area F Passenger Boarding Bridge Project with WCME JV for an additional year of services through April 3, 2018, with no change in Contract amount.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

 MAR 21 2017

at its meeting of _____


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 15-0053

AWARD OF PROFESSIONAL SERVICES CONTRACT NO. 10071.41, PROJECT MANAGEMENT SUPPORT SERVICES FOR THE TERMINAL 3 WEST MODERNIZATION PROJECT AND THE BOARDING AREA F PASSENGER BOARDING BRIDGE PROJECT, TO WCME JV, A JOINT VENTURE OF PGH WONG ENGINEERING, INC., COOPER PUGEDA MANAGEMENT, INC., MCK ASSOCIATES, INC., AND ENVIRONMENTAL & CONSTRUCTION SOLUTIONS IN AN AMOUNT NOT TO EXCEED \$8,100,000 FOR THE FIRST YEAR OF SERVICES

- WHEREAS, due to the need to coordinate and minimize the closure of gates, similarities in type of work and interfaces that may occur during construction, the T3 West Modernization Project and Boarding Area F Passenger Boarding Bridge Project are combined to be executed under Contract No. 10071.41 for project management support services (PMSS); and
- WHEREAS, the Terminal 3 West Modernization Project will include renovating and expanding the western half of Terminal 3, including upgrading building systems, passenger amenities, concessions and holdrooms, reconstructing apron pavement, remediation of contaminated soil, and seismic retrofits. Also included is the renovation and expansion of the Boarding Area F connector, construction of a consolidated Baggage Handling System, replacement of the Terminal 3 building façade, and renovation of three existing sets of restrooms at Boarding Area F; and
- WHEREAS, the Boarding Area F Passenger Boarding Bridge Project, includes replacement of passenger boarding bridges and associated infrastructure at Boarding Area F; and
- WHEREAS, the San Francisco Planning Department, Environmental Review Division, determined that the Terminal 3 West Modernization Project is categorically exempt from the California Environmental Quality Act (CEQA) as a Class 32 exemption (Planning Department File No. 2015-002670ENV), and the Boarding Area F Passenger Boarding Bridge Project is categorically exempt from CEQA as a Class 1 exemption (Planning Department File No. 2015-010548ENV); and
- WHEREAS, the PMSS Consultant (Consultant) will provide overall management expertise and oversight of the Projects. The scope of work for this Contract will include design and construction management services, project controls, contract administration, cost estimating services and field inspection; and
- WHEREAS, on April 7, 2015, by Resolution No. 15-0074, the Commission determined to proceed with the Terminal 3 West Modernization Project and authorized the Director to issue a (RFQ/RFP). However, Airport staff, working with the major stakeholders, decided to change the scope of work under the project such that the estimated budget increased; and

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 15-0053

- WHEREAS, on August 11, 2015, by Resolution No. 15-0162, the Commission reauthorized the Director to issue a RFQ/RFP for the Terminal 3 West Modernization Project as well as inclusion of the then potential additional Boarding Area F Passenger Boarding Bridge Project and to negotiate with the highest-ranked proposer; and
- WHEREAS, on October 13, 2015, by Resolution No. 15-0198, the Commission determined to proceed with the Boarding Area F Passenger Boarding Bridge Project; and
- WHEREAS, on August 24, 2015, Staff issued a RFQ/RFP for Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project and the Boarding Area F Passenger Boarding Bridge Project; and
- WHEREAS, on October 2, 2015, the Airport received four proposals in response to the RFQ/RFP. All four proposers were Joint Ventures with Local Business Enterprise (LBE) firms; and
- WHEREAS, the Airport convened a three-member Selection Panel that thoroughly reviewed the responsive proposals, interviewed the firms and key personnel, and determined that WCME JV, a joint venture of PGH Wong Engineering, Inc., Cooper Pugada Management, Inc., MCK Associates, Inc., and Environmental & Construction Solutions (WCME JV), is the highest-ranked proposer; and
- WHEREAS, Staff negotiated the scope of services, contract terms and conditions, and fee with WCME JV for this Contract. The agreed upon initial contract amount for the first year of services for WCME JV is \$8,100,000; and
- WHEREAS, since services under the Contract will be required for both projects and will be for a multi-year time frame, Staff estimates that the total contract amount for WCME JV will be \$48,000,000 with a total contract duration of five and a half years; and
- WHEREAS, the Contract will be renewed each year based on the Airport's evaluation of WCME JV's quality of work and performance; and
- WHEREAS, the City's Contract Monitoring Division has approved a Local Business Enterprise sub-consultant participation requirement of 20% for this Contract and WCME JV has committed to meeting that requirement; and
- WHEREAS, since this Contract is anticipated to exceed \$10,000,000, pending Commission authorization, the Airport will request the Board of Supervisors' approval of this Contract as required by San Francisco Charter Section 9.118(b); now, therefore, be it

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 16-0053

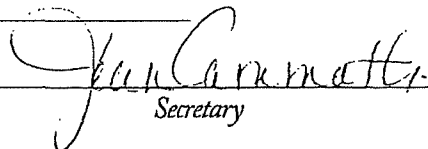
RESOLVED, that the Commission hereby awards Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project and the Boarding Area F Passenger Boarding Bridge Project to WCME JV, a joint venture of PGH Wong Engineering, Inc., Cooper Pugaeda Management, Inc., MCK Associates, Inc., and Environmental & Construction Solutions, in an amount not to exceed \$8,100,000 for the first year of services; and, be it further

RESOLVED, that this Commission directs the Commission Secretary to request the Board of Supervisors approval of the Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project and the Boarding Area F Passenger Boarding Bridge Project in conformance with San Francisco Charter Section 9.118(b).

Page 3 of 3

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

FEB 16 2016


Secretary



San Francisco International Airport

MEMORANDUM

March 6, 2018

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

FROM: Airport Director

SUBJECT: Approval of Modification Nos. 3 and 4 (Annual Renewal) to Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NOS. 3 AND 4 TO PROFESSIONAL SERVICES CONTRACT NO. 10071.41, PROJECT MANAGEMENT SUPPORT SERVICES FOR THE TERMINAL 3 WEST MODERNIZATION PROJECT, WITH WCME JV, A JOINT VENTURE OF PGH WONG ENGINEERING, INC., COOPER PUGEDA MANAGEMENT, INC., MCK AMERICAS, INC., AND ENVIRONMENTAL & CONSTRUCTION SOLUTIONS, IN AN AMOUNT OF \$5,900,000 FOR A NEW CONTRACT NOT-TO-EXCEED AMOUNT OF \$14,000,000 FOR SERVICES THROUGH APRIL 4, 2019.

Executive Summary

Transmitted herewith for your approval is a proposed Resolution approving Modification Nos. 3 & 4 to Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project, with WCME JV, a Joint Venture of PGH Wong Engineering, Inc., Cooper Pugada Management, Inc., MCK Americas, Inc., and Environmental & Construction Solutions, in an amount of \$5,900,000 for a new Contract not-to-exceed amount of \$14,000,000 for services through April 4, 2019.

This is the annual renewal of the Contract for the third year of services. The annual renewal is presented in two modifications to accommodate approval of this Contract by the Board of Supervisors.

The Project will extend the useful life of the existing Terminal 3 building to meet current code requirements and enhance overall passenger experience in the west side of Terminal 3.

This Contract provides Project Management Support Services for the Project and for the Boarding Area F Passenger Boarding Bridge Project, which is currently deferred. The Contract includes design and construction management services, project controls, contract administration, cost estimating services, and field inspection.

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

THIS PRINT COVERS CALENDAR ITEM NO. 2

MARK FARRELL MAYOR	LARRY MAZZOLA PRESIDENT	LINDA S. CRAYTON VICE PRESIDENT	ELEANOR JOHNS	RICHARD J. GUGGENHIME	PETER A. STERN	IVAR C. SATERO AIRPORT DIRECTOR
-----------------------	----------------------------	------------------------------------	---------------	-----------------------	----------------	------------------------------------

Background

On February 16, 2016, by Resolution No. 16-0053, the Commission awarded this Contract to WCME JV in a not-to-exceed amount of \$8,100,000 for the initial year of services.

On March 21, 2017, by Resolution No. 17-0064, the Commission approved Modification No. 1 to this Contract, which was the annual renewal for the second year of services through April 3, 2018 with no increase in the Contract amount. Administrative Modification No. 2 was executed to update billing rates.

Together, Modification Nos. 3 and 4 increase the Contract not-to-exceed amount by \$5,900,000 for a total Contract not-to-exceed amount of \$14,000,000 for the third year of services through April 4, 2019. The total amount agreed to by Staff and WCME JV brings the Contract to exceed the amount which requires approval by the Board of Supervisors (\$10,000,000). Therefore, Staff presents two modifications for the third year renewal. Two modifications allow services to continue while Staff seeks Board approval for the remainder of the annual renewal amount.

Modification No. 3 increases the Contract amount by \$1,890,000 for a new Contract amount of \$9,990,000 for services through August 30, 2018. Pending approval by the Board of Supervisors, Modification No. 4 will further increase the Contract amount by \$4,010,000 for a new Contract not-to-exceed amount of \$14,000,000 for services through April 4, 2019.

The current forecast and budget for this Contract is \$60,000,000, with an anticipated duration of seven years. The Contract is funded from the Ascent Program – Phase 1 under the Airport's Capital Improvement Plan.

Because this Contract will exceed \$10,000,000 within the next year of services, pending Commission approval, Staff will seek Board of Supervisors' approval of Modification No. 4 as required by the San Francisco Charter Section 9.118(b) for the full estimated cost and duration of the Contract.

The City's Contract Monitoring Division has approved a 20% Local Business Enterprise sub-consultant participation requirement for this Contract and WCME JV has committed to meeting this requirement.

Recommendation

Based on the above, I recommend that the Commission approve Modification Nos. 3 and 4 to Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project, with WCME JV in an amount of \$5,900,000 for a new Contract not-to-exceed amount of \$14,000,000 for services through April 4, 2019.



Ivar G. Satero
Airport Director

Prepared by: Geoffrey W. Neumayr
Chief Development Officer
Planning, Design & Construction

Attachments



San Francisco International Airport

MEMORANDUM

March 21, 2017

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

FROM: Airport Director

SUBJECT: Approval of Modification No. 1 to Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project and the Boarding Area F Passenger Boarding Bridge Project

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 1 TO PROFESSIONAL SERVICES CONTRACT NO. 10071.41, PROJECT MANAGEMENT SUPPORT SERVICES FOR THE TERMINAL 3 WEST MODERNIZATION PROJECT AND THE BOARDING AREA F PASSENGER BOARDING BRIDGE PROJECT WITH WCME JV FOR AN ADDITIONAL YEAR OF SERVICES THROUGH APRIL 3, 2018, WITH NO CHANGE IN CONTRACT AMOUNT.

Executive Summary

Transmitted herewith for your approval is a proposed Resolution approving Modification No. 1 to Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project and the Boarding Area F Passenger Boarding Bridge Project with WCME JV, a Joint Venture of PGH Wong Engineering, Inc., Cooper Pugeda Management, Inc., MCK Americas, Inc., and Environmental & Construction Solutions, for an additional year of services through April 3, 2018.

The Terminal 3 West Modernization Project and the Boarding Area F Passenger Boarding Bridge Project (Projects) will extend the useful life of the building to meet current code requirements and enhance overall passenger experience in Terminal 3.

This Contract provides overall management expertise and oversight of the Projects. The scope of work for the Contract includes design and construction management services, project controls, contract administration, cost estimating services and field inspection.

This Modification No. 1 is for time extension only and provides for the second year of services with no increase in the contract amount.

THIS PRINT COVERS CALENDAR ITEM NO. 9

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE LARRY MAZZOLA LINDA S. CRAYTON ELEANOR JOHNS RICHARD J. GUGGENHIME PETER A. STERN IVAR C. SATERO
MAYOR PRESIDENT VICE PRESIDENT AIRPORT DIRECTOR

Background

This Project is necessary to upgrade seismic performance and building systems, improve passenger flow, provide a new concessions program, and allow flexibility to accommodate increases to both international and domestic flights. The T3 West Project will include renovation of the existing terminal and construction of an expanded terminal. The current scope for the Boarding Area F Passenger Boarding Bridge Project is anticipated to include improvements in alignment with SFO's Revenue Enhancement and Customer Hospitality (REACH) principles to enhance the guest experience and create revenue generating opportunities. Boarding Area F's boarding bridge replacement has been deferred due to changes in United Airlines aircraft fleet mix.

On February 16, 2016, by Resolution No. 16-0053, the Commission awarded this Contract to WCME JV in an amount of \$8,100,000 for the first year of services.

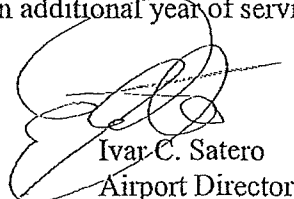
Modification No. 1 is for the second year of services with no change to the awarded Contract amount at this time. The Consultant will continue assisting staff with the Projects' scope definitions, preliminary diagrams, rough order of magnitude cost estimates, preliminary scheduling and pre-programming activities, as well as project controls and reporting.

Staff and WCME JV have evaluated the scope of services for the second year of services and agree that the balance remaining within the current approved contract amount is sufficient for the second year of services. Therefore, this modification is for increasing the contract time for the second year of services only with no change in the contract amount and the forecasted total Contract amount of \$48,000,000. Since this Contract is anticipated to exceed \$10,000,000, the Airport will seek approval from the Board of Supervisors for this Contract as required by San Francisco Charter Section 9.118(b) prior to requesting a contract modification amount above \$10,000,000.

The City's Contract Monitoring Division has approved a 20% Local Business Enterprise sub-consultant participation requirement for this Contract and WCME JV has committed to meeting this requirement.

Recommendation

Based on the above, I recommend that the Commission approve Modification No. 1 to Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project and the Boarding Area F Passenger Boarding Bridge Project with WCME JV for an additional year of services through April 3, 2018.



Ivar C. Satero
Airport Director

Prepared by: Geoffrey W. Neumayr
Chief Development Officer
Planning, Design & Construction



San Francisco International Airport

MEMORANDUM

February 16, 2016

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

FROM: Airport Director

SUBJECT: Award of Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project and the Boarding Area F Passenger Boarding Bridge Project

DIRECTOR'S RECOMMENDATION: AWARD PROFESSIONAL SERVICES CONTRACT NO. 10071.41, PROJECT MANAGEMENT SUPPORT SERVICES FOR THE TERMINAL 3 WEST MODERNIZATION PROJECT AND THE BOARDING AREA F PASSENGER BOARDING BRIDGE PROJECT, TO WCME JV, A JOINT VENTURE OF PGH WONG ENGINEERING, INC., COOPER PUGEDA MANAGEMENT, INC., MCK ASSOCIATES, INC., AND ENVIRONMENTAL & CONSTRUCTION SOLUTIONS, IN AN AMOUNT NOT TO EXCEED \$8,100,000 FOR THE FIRST YEAR OF SERVICES

Executive Summary

Transmitted herewith for your approval is a proposed Resolution awarding Professional Services Contract No. 10071.41, Project Management Support Services (PMSS) for the Terminal 3 West Modernization Project and the Boarding Area F Passenger Boarding Bridge Project, to WCME JV, a joint venture of PGH Wong Engineering, Inc., Cooper Pugeda Management, Inc., MCK Associates, Inc., and Environmental & Construction Solutions (WCME JV), in an amount not to exceed \$8,100,000 for the first year of services.

Both projects will extend the useful life of the building and meet current code requirements. These projects will include renovation of the existing terminal and construction of an expanded terminal area which will upgrade seismic performance, improve passenger flow, and enhance the passenger experience.

The PMSS Consultant (Consultant) will provide overall management expertise and oversight of both projects. The scope of work for this Contract will include design and construction management services, project controls, contract administration, cost estimating services and field inspection.

Background

Through a Programming and Planning Study, the Airport has determined that to best meet future domestic and international forecast demand, it is critical that projects within Terminal 3 proceed.

Terminal 3 is comprised of the main terminal building, which is separated into the eastern and western sides, and Boarding Area E and Boarding Area F. The redevelopment of Terminal 3 started with the Boarding Area E Project that was completed in early 2014 and continued with the East additional work that was completed in late 2015. The implementation of future projects to increase gate flexibility and improve the level of service and

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

THIS PRINT COVERS CALENDAR ITEM NO. 4

EDWIN M. LEE
MAYOR

LARRY MAZZOLA
PRESIDENT

LINDA S. CRAYTON
VICE PRESIDENT

ELEANOR JOHNS

RICHARD J. GUGGENHIME

PETER A. STERN

JOHN L. MARTIN
AIRPORT DIRECTOR

passenger experience is necessary. Under the current 5-year Capital Improvement Plan (CIP) and Airport Development Plan, the future projects in Terminal 3 include:

- a- Terminal 3 West Modernization Project
- b- Boarding Area F Passenger Boarding Bridge Project
- c- Terminal 2 to Terminal 3 Secure Connector Project
- d- Boarding Area F Improvements Project

Due to the need to coordinate and minimize the closure of gates, similarities in type of work and interfaces that may occur during construction, the T3 West Modernization Project and Boarding Area F Passenger Boarding Bridge Project are combined to be executed under this Contract No. 10071.41 for PMSS.

The Terminal 3 West Modernization Project will include renovating and expanding the western half of Terminal 3, including upgrading building systems, passenger amenities, concessions and holdrooms, reconstructing apron pavement, remediation of contaminated soil, and seismic retrofits. Also included is the renovation and expansion of the Boarding Area F connector, construction of a consolidated Baggage Handling System, replacement of the Terminal 3 building façade, and renovation of three existing sets of restrooms at Boarding Area F. The project was determined by the San Francisco Planning Department, Environmental Planning Division (SFEP) to be categorically exempt from the California Environmental Quality Act (CEQA) (California Public Resources Code Section 21000 et seq.) as a Class 32 exemption (Planning Department File No. 2015-002670ENV).

The Boarding Area F Passenger Boarding Bridge Project includes replacement of Passenger Boarding Bridges and associated infrastructure at Boarding Area F. The project was determined by SFEP to be categorically exempt from CEQA as a Class 1 exemption (Planning Department File No. 2015-010548ENV).

On April 7, 2015, by Resolution No. 15-0074, the Commission determined to proceed with the Terminal 3 West Modernization Project (formerly referred to as the Terminal 3 West Improvements Project) and authorized the Director to issue a (RFQ/RFP). However, Airport staff working with the major stakeholders decided to change the scope of work under the project such that the estimated budget increased.

On August 11, 2015, by Resolution No. 15-0162, the Commission reauthorized the Director to issue a RFQ/RFP for the Terminal 3 West Modernization Project as well as including the Boarding Area F Passenger Boarding Bridge Project as a then potential additional project, and to negotiate with the highest-ranked proposer.

On October 13, 2015, by Resolution No. 15-0198, the Commission determined to proceed with the Boarding Area F Passenger Boarding Bridge Project.

On October 2, 2015, the Airport received four proposals. All four of the proposers were Joint Ventures with Local Business Enterprise (LBE) firms.

The Airport convened a three-member selection panel, consisting of one Airport Commission employee and two members of the aviation and project management industry, to review and score the proposals in accordance with the criteria stated in the RFQ/RFP. The RFQ/RFP stated that up to four highest-ranking proposers would be invited for interviews with the Selection Panel. Airport staff determined that one Proposer did not receive a score on the Technical Proposal that was high enough to warrant being invited to the Oral Interview. On November 5, 2015 the Selection Panel interviewed the three highest-ranked proposers, including key personnel, and thoroughly appraised their qualifications.

Based on the results of the proposals and interviews, the final rankings are as follows:

	Evaluation Score	LBE Rating	Final Score
	(500 max.)	Bonus	
1. WCME JV	466.3	10%	513.0
2. T3 Associates (ASL, AGS and PMA)	434.7	10%	478.1
3. T3W Partners (Jacobs, The Allen Group, Avila)	403.3	10%	443.7

Staff negotiated the scope of services, contract terms and conditions, and fee with WCME JV for this Contract. The agreed upon initial contract amount for the first year of services for WCME JV is \$8,100,000. Since services under the contract will be required for both projects and will be for a multi-year time frame, Staff estimates that the total contract amount for WCME JV will be \$48,000,000 with a total contract duration of five and half years.

The contract will be renewed each year based on the Airport's evaluation of WCME JV's quality of work and performance. Since this Contract is anticipated to exceed \$10,000,000, pending Commission authorization, the Airport will request the Board of Supervisors to approve this Contract as required by San Francisco Charter Section 9.118(b).

The Contracts Monitoring Division (CMD) reviewed the RFQ/RFP documentation, proposals and scoring, and has determined that the selection process is in compliance with Chapter 14B requirements. CMD has approved a 20% LBE sub-consultant participation requirement for this Contract. WCME JV has committed to meeting this requirement.

Recommendation

Based on the above, I recommend that the Commission award Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project and the Boarding Area F Passenger Boarding Bridge Project, to WCME JV, a joint venture of PGH Wong Engineering, Inc., Cooper Pugaeda Management, Inc., MCK Associates, Inc., and Environmental & Construction Solutions, in an amount not to exceed \$8,100,000 for the first year of services.


 John L. Martin
 Airport Director

Prepared by: Geoffrey W. Neumayr
 Deputy Airport Director
 Design & Construction

Attachments



San Francisco International Airport

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2018 APR 20 PM 1:48
BY AK

March 27, 2018

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

Subject: Contract Modification No. 4 – WCME JV – Project Management Support Services for the Terminal 3 West Modernization Project – Not-to-Exceed \$60,000,000

Dear Ms. Calvillo:

Pursuant to Section 9.118 of the City Charter, I am forwarding for the Board of Supervisor’s approval, a contract between the City and County of San Francisco, by and through its Airport Commission (“Commission”) and WCME JV, a Joint Venture of PGH Wong Engineering, Inc., Cooper Pugeda Management, Inc., MCK Americas, Inc., and Environmental & Construction Solutions, for Project Management Support Services. This contract was originally estimated to be over \$10 million, but did not exceed the threshold stated in Section 9.118 until Modification No. 4.

The Commission awarded this contract by Resolution 16-0053 on February 16, 2016 to WCME JV; approved the First Modification by Resolution 17-0064 on March 21, 2017; approved Modification No. 3 by Resolution 18-0053 on March 6, 2018. The Second Modification was administrative in nature, executed by the Airport Director.

By Resolution 18-0053, dated March 6, 2018; the Commission approved the Modification No. 4 to this contract. The Commission authorized a not-to-exceed amount of \$14,000,000 for services through April 4, 2019. The Airport Director estimates that the total value of this contract will not exceed \$60,000,000 for services through April 4, 2023.

Three (3) sets of the following documents are enclosed for review:

- Proposed Board of Supervisors Resolution;
- Adopted Airport Commission Resolution No. 16-0053;
- Memorandum recommending Resolution No. 16-0053;
- Adopted Airport Commission Resolution No. 17-0064;
- Memorandum recommending Resolution No. 17-0064;
- Adopted Airport Commission Resolution No. 18-0053;
- Memorandum recommending Resolution No. 18-0053;
- Form SFEC-126 for the Board of Supervisors;
- Form SFEC-126 for Mayor Farrell;
- Copy of Airport Contract No. 10071.41 with WCME JV for Project Management Support Services;
- Certified First Modification;
- Certified Second Modification;
- Certified Modification No. 3; and
- Modification No. 4.

Please contact Cathy Widener, Airport Governmental Affairs Manager at (650) 821-5023 if you have questions or concerns regarding this matter.

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

MARK FARRELL MAYOR	LARRY MAZZOLA PRESIDENT	LINDA S. CRAYTON VICE PRESIDENT	ELEANOR JOHNS	RICHARD J. GUGGENHIME	PETER A. STERN	IVAR C. SATERO AIRPORT DIRECTOR
-----------------------	----------------------------	------------------------------------	---------------	-----------------------	----------------	------------------------------------

Very truly yours,

A handwritten signature in black ink, appearing to read "Cathy Widener". The signature is fluid and cursive, with the first name "Cathy" written in a larger, more prominent script than the last name "Widener".

Jean Caramatti
Commission Secretary 

Enclosures

Cc: Cathy Widener
Tania Gharechedaghy
Geri Rayca
Quoc Truong

President, District 5
BOARD of SUPERVISORS



BOS-11, Aides, COB
GAO Clerk, BOF Clerk,
Depts, Dep City Atty
City Hall

1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-7630
Fax No. 554-7634
TDD/TTY No. 544-5227

London Breed

PRESIDENTIAL ACTION

Date: 06.20.2018

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,
Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. _____
(Primary Sponsor)

Title. _____

2018 JUN 21 PM 12:06
BOARD OF SUPERVISORS
SALLY PEREIRA

Transferring (Board Rule No 3.3)

File No. 180422 Department _____
(Primary Sponsor)

Title. Airport Professional Services Contract - WCME JV - Terminal 3 West
Modernization Project

From: Government Audit & Oversight Committee

To: Budget & Finance Sub Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor _____

Replacing Supervisor _____

For: _____ Meeting
(Date) (Committee)

London Breed, President
Board of Supervisors

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information *(Please print clearly.)*

Name of contractor:
WCME JV – a Joint Venture of PGH Wong Engineering, Inc., Cooper Pugaeda Management, Inc., MCK Americas, Inc., and Environmental & Construction Solutions, Inc.

Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.

PGH Wong Engineering, Inc.

- (1) Members of the contractor's board of directors;
N/A
- (2) The contractor's chief executive officer, chief financial officer and chief operating officer;
Chief Executive Officer: Peter Wong, P.E.
Chief Financial Officer: Peter Wong, P.E.
Chief Operating Officer: Ronald Wong, P.E.
- (3) Any person who has an ownership of 20 percent or more in the contractor;
N/A
- (4) Any subcontractor listed in the bid or contract;
Apex Testing Laboratories, Inc.
AECOM Technical Services, Inc.
Chaves & Associates
C M Pros
Hollins Consulting, Inc.
Saylor Consulting Group
Urban Fabrick, Inc.
- (5) Any political committee sponsored or controlled by the contractor
N/A

Cooper Pugaeda Management, Inc.

- (1) Members of the contractor's board of directors;
Ismael Pugaeda, Jeff Cooper, Steve Cox
- (2) The contractor's chief executive officer, chief financial officer and chief operating officer;
Ismael Pugaeda (President and Treasurer), Jeff Cooper (Secretary)
- (3) Any person who has an ownership of 20 percent or more in the contractor;
Ismael Pugaeda, Jeff Cooper
- (4) Any subcontractor listed in the bid or contract;
Apex Testing Laboratories, Inc.
AECOM Technical Services, Inc.
Chaves & Associates
C M Pros
Hollins Consulting, Inc.

Saylor Consulting Group
Urban Fabrick, Inc.

(5) Any political committee sponsored or controlled by the contractor

None

MCK Americas, Inc.

(1) Members of the contractor's board of directors;

Brendan McDevitt, Stephen McDevitt, Jordan McDevitt, Marianna McDevitt

(2) The contractor's chief executive officer, chief financial officer and chief operating officer;

Brendan McDevitt

(3) Any person who has an ownership of 20 percent or more in the contractor;

Brendan McDevitt

(4) Any subcontractor listed in the bid or contract;

Apex Testing Laboratories, Inc.
AECOM Technical Services, Inc.
Chaves & Associates
C M Pros
Hollins Consulting, Inc.
Saylor Consulting Group
Urban Fabrick, Inc.

(5) Any political committee sponsored or controlled by the contractor

None

Environmental & Construction Solutions, Inc.

(1) Members of the contractor's board of directors;

Andrew Petreas, Danielle Collins

(2) The contractor's chief executive officer, chief financial officer and chief operating officer;

Andrew Petreas

(3) Any person who has an ownership of 20 percent or more in the contractor;

Danielle Collins

(4) Any subcontractor listed in the bid or contract;

Apex Testing Laboratories, Inc.
AECOM Technical Services, Inc.
Chaves & Associates
C M Pros
Hollins Consulting, Inc.
Saylor Consulting Group
Urban Fabrick, Inc.

(5) Any political committee sponsored or controlled by the contractor;

N/A

Contractor address:

PGH Wong Engineering, Inc.: 182 2nd Street, Suite 500, San Francisco, CA 94105

Cooper Pugada Management, Inc.: 65 McCoppin Street, San Francisco, CA 94103

MCK Americas, Inc.: 806 Jamestown Avenue, San Francisco, CA 94124

Environmental & Construction Solutions, Inc.: 290 Division Street, Suite # 307, San Francisco CA 94103

Apex Testing Laboratories, Inc.: 3450 Third Street, #3E, San Francisco, CA 94124

AECOM Technical Services, Inc.: 300 California Street, San Francisco, CA 94104

Chaves & Associates: 582 Market Street, Suite 1300, San Francisco, CA 94104

C M Pros: 1061 Market Street, Suite 516, San Francisco, CA 94103

Hollins Consulting, Inc.: 2945 3rd Street, San Francisco, CA 94107 Saylor Consulting Group: 71 Stevenson Street, #400, San Francisco, CA 94105 Urban Fabrick, Inc.: 2 Mint Plaza, Suite 206, San Francisco, CA 94103	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contract: Not-to-exceed \$60,000,000
Describe the nature of the contract that was approved: The contractor will provide project management support services to assist the Airport for the Terminal 3 West Modernization Project ("Project") in a coordinated and methodical manner. Specific areas of expertise required include: design management and construction phasing, project-level cost/schedule controls, solicitations and contract preparation, alternative project delivery processes, project management/construction management coordination, cost estimating, industry outreach/workshops, document control, program management systems, and other administrative support functions and operations. The Project will include renovating and expanding the western half of Terminal 3, including upgrading building systems, passenger amenities, concessions and holdrooms, reconstructing apron pavement, remediation of contaminated soil, and seismic retrofits.	
Comments: Requesting Board of Supervisors to approve the Professional Services Agreement for Airport Contract 10071.41 – Project Management Support Services for the Terminal 3 West Modernization Project between WCME JV and the City and County of San Francisco with a not-to-exceed amount of \$60,000,000 for services through April 4, 2023.	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information *(Please print clearly.)*

Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

 Signature of City Elective Officer (if submitted by City elective officer)

 Date Signed

 Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

 Date Signed

