

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

Modification No. 3

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

RECITALS

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



K. On July 31, 2020, by Resolution No. 345-20, the Board of Supervisors approved Modification No. 1 under San Francisco Charter Section 9.118; and

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

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

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

2. Article 1. Definitions, 1.1 Agreement has been revised. The definition “Agreement” shall mean the Agreement dated October 19, 2016 between Contractor and City, as amended by Modification No. 1, dated April 3, 2018, and Modification No. 2, dated July 1, 2019.

3. Appendix B-1 Calculation of Charges is amended to include **Cost Proposal Table B.1.3 July 1, 2020 through June 30, 2021** and **Cost Proposal Table B.1.4 July 1, 2021 through June 30, 2022** as follows:

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

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

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

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

TOTAL DIRECT LABOR \$ 3,328,678.08

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

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

TOTAL INDIRECT LABOR \$ 1,639,167.34



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

TOTAL MANAGEMENT FEE \$ 1,411,366.00

Other Direct Costs

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

TOTAL OTHER DIRECT COSTS \$ 187,307.23

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



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

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

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

TOTAL DIRECT LABOR \$ 3,754,726.56

Indirect Labor Costs	Fringe Percent	Total Cost
<i>Hallmark</i>		
Health, Dental, Life Insurance	0.2228	\$ 483,302.57
Worker's Compensation	0.0354	\$ 76,790.44
FICA, FUTA SUI	0.11	\$ 238,614.38
Personal Leave	0.0462	\$ 100,218.04
Holiday premium	0.0192	\$ 41,649.05
401K Matching	0.032	\$ 69,415.09
Staff Welfare & Morale	0.0095	\$ 20,607.61
Totals - Hallmark		\$ 1,030,597.18
<i>Polaris</i>		
Health, Dental, Life Insurance	0.1425	\$ 225,934.46
Worker's Compensation	0.02	\$ 31,710.10
FICA, FUTA SUI	0.1013	\$ 160,611.65
Personal Leave	0.147	\$ 233,069.23
Holiday premium	0.0192	\$ 30,441.70
401K Matching	0.0335	\$ 53,114.42
Staff Welfare & Morale	0.008	\$ 12,684.04
401K Profit Sharing	0.04	\$ 63,420.20
Totals - Polaris		\$ 810,985.79

TOTAL INDIRECT LABOR \$ 1,841,582.97



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

TOTAL MANAGEMENT FEE \$ 1,411,366.00

Other Direct Costs

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

TOTAL OTHER DIRECT COSTS \$ 184,551.87


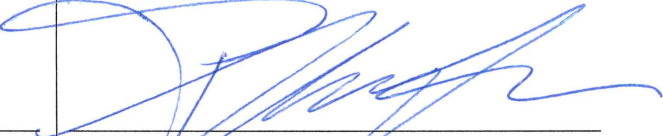


Total July 1, 2021 through June 30, 2022 Cost Proposal \$ 7,192,227.40

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

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



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

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By:  Ivar C. Satero, Airport Director	 Authorized Signature
Attest:	Printed Name
By:  C. Corina Monzón, Secretary Airport Commission	Philipp Huber President Title
Resolution No: <u>20-0113</u>	Hallmark Aviation Services L.P. Company Name
Adopted on: <u>June 16, 2020</u>	0000019096 City Supplier Number
	5757 W. Century Boulevard, Suite 860 Address
	Los Angeles, CA 90045 City, State, ZIP
Approved as to Form:	
Dennis J. Herrera City Attorney	310-215-7213 Telephone Number
	95-4217627 Federal Employer ID Number
By:  Christopher Stuart Deputy City Attorney	

