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

**Modification No. 1**

This Modification is made this 17th day of May, 2023, in the City and County of San Francisco, State of California, by and between: **BEUMER Lifecycle Management LLC, 800 Apgar Drive, Somerset, NJ 08873** (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. City and Contractor have entered into the Agreement for the San Francisco International Airport (the “Airport” or “SFO”) (as defined below); and,
- B. On February 4, 2020, the Office of Contract Administration approved this Agreement under San Francisco Administrative Code Chapter 21.5(d), Proprietary Article No. 12 for the procurement of repairs for equipment, including service and parts when repairs must be done by the manufacturer of the system; and
- C. On June 16, 2020, by Resolution No. 20-0111, the Commission awarded this Agreement to the Contractor for a term commencing August 1, 2020, and ending June 30, 2023, and a not-to-exceed amount of \$21,000,000; and
- D. On July 28, 2020, by Resolution No. 356-20, the Board of Supervisors approved the Agreement under San Francisco Charter Section 9.118; and
- E. City and Contractor desire to administratively modify the Agreement to add six months to the original contract term for a new contract end date of December 31, 2023 while preserving the single option to extend the term of the Agreement, add a subcontractor, modify Contractor’s responsibilities related to installed software and hardware, and to update standard contractual language; and
- F. The contract extension in this Modification No. 1 is authorized under Section 21.24 of the Administrative Code (“Short-Term Contract Extensions and Amendments”) which authorized contract extensions of up to 12 months of any contract that expires on or before July 1, 2023; and
- G. There is no Local Business Entity (“LBE”) subcontracting participation requirement for this Agreement; and
- H. Approval for the Agreement was obtained when the Civil Service Commission approved PSC No. 47310-19/20 on January 6, 2020.

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

**1. Article 1, Definitions, Section 1.1** is replaced in its entirety as follows:

1.1 “Agreement” means the contract document dated June 16, 2020, including all attached appendices, and all applicable city ordinances and “Mandatory City Requirements” which are specifically incorporated by reference into the Agreement.

**2. Article 1, Definitions, Section 1.29** is added to this Agreement to read as follows:

1.29 “Digital Signature” means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature.

**3. Article 2, Term of the Agreement, Section 2.1** is modified to change the expiration date of the Agreement to December 31, 2023.

**4. Article 4, Services and Resources, Section 4.3.2** is hereby amended to add a subcontractor to the Agreement, and read as follows:

4.3.2 City’s execution of this Agreement constitutes its approval of the subcontractors listed below:

Lloyd W. Aubrey Co., Inc.

**5. Article 12, General Provisions, Section 12.1 Notices to the Parties** is hereby amended to add Section 12.1.1 as follows:

12.1.1 The Parties consent to the use of Digital Signatures, affixed using the City’s DocuSign platform, to execute this Agreement and all subsequent modifications.

**6. Appendix A, Scope of Services** is amended as follows:

a) **Section 1.2.8** is replaced in its entirety to correct a minor grammatical error in the last sentence:

1.2.8. Maintenance and repair duties shall include routine maintenance, scheduled and preventative maintenance, non-scheduled maintenance, ordinary wear maintenance, maintenance and testing of equipment, maintenance of tools and other equipment, on-call maintenance, and the update of manuals and other reference resources.

- b) **Section 1.2.14** is amended to add “cybersecurity” to the list of TSA Planning Guidance and Design Standards:

1.2.14. Contractor shall maintain and operate the BHS in accordance with all TSA regulations and guidance, including applicable TSA Planning Guidance and Design Standards (PGDS) regarding performance, modification, record keeping, cybersecurity, and general operating and security standards.

- c) **Section 1.2.22** is amended to add the Airport Duty Manager as one of the required parties to be notified:

1.2.22. Contractor shall be fully responsible for the facilities made available by the Airport including repairs, replacements and refurbishment necessitated by ordinary use and wear. Contractor shall not be responsible for facility related repairs or replacements necessitated by causes beyond Contractor’s control. Any damage to the BHS or related facilities, personal injury, or other incident associated with the BHS must be reported immediately to SFO’s Airfield Operations and Airport Duty Manager. Contractor shall cooperate fully with any incident investigation conducted by SFO or other authorities.

- d) **Section 1.2.32** is amended to add the Flight Information Feed to and from the BHS and the Baggage Messaging System to the list of SFO maintained and supported components.

1.2.32. The Contractor shall be responsible for the maintenance and support of the BHS Lower Level Controls (LLC) for ICS (CrisBag) components including Programmable Logic Controls (PLC) hardware and software components and Upper Level Controls (ULC) (see Appendix A, Exhibit 1 for the complete list). SFO will provide maintenance and support of all other elements of the ULC and the LLC including PLC for the conventional conveyor components, make up and claim units, and all other non- ICS components. SFO’s responsibility shall also include, but not be limited to maintenance and support of the following:

- BHS Sort Control Servers
- Human Machine Interfaces (HMI)
- BHS reporting systems
- BHS local area network (BHS LAN).
- Programmable Logic Controls (PLC) – Non ICS
- Remote Start / Stop system of EDS CTX Machines
- Baggage Reconciliation System (BRS)
- Flight Information Feed to and from the BHS

- **Baggage Messaging System**

e) **Section 1.3.8** is amended as follows to clarify that the proof of citizenship or right to work in the United States extends to subcontractor employees:

1.3.8. Contractor shall require all prospective employees, including subcontractor's employees, to show proof of citizenship or proof from the United States Immigration Authority that they have the legal right to work in the United States. Contractor and its subcontractor(s) shall comply with all badging requirements.

f) **Section 1.4.3** is amended as follows to change "key personnel" to "Contractor's personnel".

1.4.3. SFO or its Representatives reserve the right, upon reasonable cause, to reject Contractor's personnel assigned to this Agreement.

g) **Section 2.2.2.3.3** is amended as follows to add TSA and TSA contractor staff to the parties that Contractor shall make baggage hygiene training available to.

2.2.2.3.3 Contractor shall develop a program of recurrent training including baggage hygiene, new or modified equipment, procedures, techniques and any other updated content. Such training shall be conducted annually at minimum, or more frequently if deemed necessary by Contractor or SFO. Baggage hygiene training shall be made available to airline, TSA, and TSA contractor staff using the BHS.

h) **Section 4.1, Maintenance Management System (MMS)** is amended as follows to allow Airport to use the MMS at other locations within SFO:

**4.1. Maintenance Management System (MMS)**

Contractor shall use and maintain a computerized Maintenance Management System (MMS) provided by SFO that provides the ability to track and issue work orders, equipment and repair history, repair frequencies and part failure modes and perform trend analysis. All assets including spare parts provided by the Airport must be entered, managed, and maintained through the MMS. Performance and Monitoring reports shall be generated using the MMS. SFO shall have full and unrestricted access to and use of the MMS. SFO may use the MMS at other locations with licensing and support provided by Contractor at pricing agreed to by the parties.

**7. Attachment 2 to Appendix A, BHS Controls and Related Hardware, Software and Infrastructure Maintenance and Operation, Section 4.1, Software Maintenance and Support, is amended as follows:**

- a) **Section 4.1.2** is amended as follows to require Contractor to maintain additional information in its inventory of installed software, to provide its inventory to the City, and to require City approval for changes to the inventory:

4.1.2 Contractor shall maintain a comprehensive inventory of all installed software (including operating systems, network software and applications), including, for third-party software, the entities providing the software licenses and software support, and the expiration dates of those licenses and support agreements, in a form and format acceptable to the Airport. This inventory shall be provided to the City on a bi-annual basis, or if requested, on-demand.

If Contractor seeks to replace, add, or delete a software provider, Contractor shall provide the City with written notice, and shall not make the change until the City provides written approval of the change.

- b) **Section 4.2.2** is amended as follows to require Contractor to maintain additional information in its inventory of installed hardware, to provide the inventory to the City, and to require City approval of changes to the inventory:

4.2.2 Contractor shall maintain a comprehensive inventory of all installed hardware, including, for all third-party hardware, the entities providing the hardware support, and the expiration dates of those support agreements, in a form and format acceptable to the Airport. This inventory shall be provided to the City on a bi-annual basis, or if requested, on-demand.

If Contractor seeks to replace, add, or delete a hardware provider, Contractor shall provide the City with written notice, and shall not make the change until the City provides written approval of the change

**8. Appendix B, Calculation of Charges, Section 3, Service Fee, Paragraph a) is amended as follows:**

3) Service Fee

- a) The Contractor's monthly invoice may include a service fee in an amount no greater than five percent (5%) of the total cost of labor for each month through June 30, 2021 and ten percent (10%) of the total cost of labor for each month starting July 1, 2021.

**9. Appendix B, Calculation of Charges, Section 5, Parts and Materials Software Licenses, Paragraph a.ii is amended as follows to increase the threshold for requiring supplier quotes from \$100 to \$200:**

- ii) For purchases exceeding a net cost, including all taxes, shipping, and other fees of \$200 per unit (each) and/or \$200 per OEM/supplier invoice price, quotes for the same or equivalent material from a minimum of three (3) suppliers must be provided to the Airport's Project Manager for approval prior to purchase. Unless extenuating circumstances apply and are documented by the Contractor, the lowest priced quote will be approved. All quotes shall be included with the invoice along with documentation of the approval to purchase. Sole source software licenses or product support agreements are exempt from this requirement upon representation by the Contractor that alternative pricing is not available. Exceptions to the preceding must be approved in writing by the Airport Project Manager

**10. Appendix B, Calculation of Charges, Section 7, SFO Requested Overtime, Paragraph a.ii is amended as follows:**

- ii) The Contractor's monthly invoice may include a service fee in an amount no greater than five percent (5%) of the total cost of SFO Requested Overtime for each month through June 30, 2021 and ten percent (10%) of the total cost of labor for each month starting July 1, 2021. This service Fee is to be calculated and applied separately from the service fee applied to the total monthly charge for employee wages and benefits (see Section 3).

**11. Appendix B, Calculation of Charges, Attachment 1, Staffing Level and Allocation Plan is amended as follows to include a requirement for prior approval of the Airport Project Manager for adjustments to the shift times and staffing levels.**

The Staffing Level and Allocation plan following is the basis for adequate coverage of all shifts with appropriate skills and responsibilities. With prior approval of the Airport Project Manager, the shift times and staffing levels may be adjusted by the Contractor to meet operational requirements and resource availability. The total hours per classification invoiced each month are subject to the requirements of Section 2 of this Appendix B.

**12. Appendix B, Calculation of Charges, Attachment 2, Labor Rates and Attachment 3, Invoice Pricing Details are amended to include the following labor rates and invoice pricing effective July 1, 2023 through December 31, 2023.**

<b>Effective July 1, 2023 through December 31, 2023</b>				
<b>Classification</b>	<b>Shift</b>	<b>Hourly Wage</b>	<b>Burden</b>	<b>Hourly Rate (Wage + Burden)</b>
Site Manager	1	\$68.95	\$48.27	\$117.22

Controls Specialist	1	\$65.67	\$45.97	\$111.63
CMSS and Spares	1	\$37.85	\$26.50	\$64.35
Administrative Assistant	1	\$32.45	\$22.71	\$55.16
Supervisor	1	\$65.67	\$45.97	\$111.63
Supervisor	2	\$68.23	\$47.76	\$115.99
Supervisor	3	\$71.18	\$49.83	\$121.01
Control Room Operator	1	\$36.23	\$25.36	\$61.58
Control Room Operator	2	\$37.64	\$26.35	\$63.98
Control Room Operator	3	\$39.27	\$27.49	\$66.76
Senior Technician	1	\$88.13	\$17.63	\$105.76
Senior Technician	2	\$91.74	\$18.35	\$110.09
Senior Technician	3	\$95.01	\$19.00	\$114.01
Junior Technician	1	\$74.14	\$14.83	\$88.97
Junior Technician	2	\$77.38	\$15.48	\$92.86
Junior Technician	3	\$78.69	\$15.74	\$94.43
System Support	1	\$64.81	\$12.96	\$77.77
System Support	2	\$67.81	\$13.56	\$81.37
System Support	3	\$67.81	\$13.56	\$81.37

<b>July 1, 2023 through December 31, 2023</b>			
		<b>Total</b>	<b>Monthly Total</b>
<b>LABOR</b>			
<b>Wages and Benefits</b>	Basic Labor	\$3,014,130	\$502,355
Adjustments for hours not worked	Deduction \$		Actual monthly
<b>Wages and Benefits – Adjusted</b>			Actual monthly
<b>SFO Requested Overtime</b>			Actual monthly
<b>Labor Overhead 2% of Wages and Benefits – Adjusted</b>			Actual monthly
<b>Total Monthly Cost for Labor</b>			Actual monthly
<b>Service Fee – 10% of Total Monthly Cost for Labor</b>			Actual monthly
<b>NON - LABOR</b>			
<b>Site Overhead</b>		\$48,000	\$8,000
<b>Parts, Materials, Software Licenses and Support Fees</b>			Actual monthly
<b>Beumer Help Desk Fee</b>		\$45,501	\$7,584

<b>As Needed Services</b>	Per Task Order	Actual monthly
<b>Travel Expenses</b>		Actual monthly
<b>Deductions for Performance Non-Compliance</b>	Deduction \$	Actual monthly
<b>Total Monthly Invoice Value</b>		Actual monthly

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

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



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

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By: <u>DocuSigned by: Ivar C. Satero</u> 8CFDC3E9128544B... Ivar C. Satero, Airport Director	<u>DocuSigned by: Mark J. Sibley</u> 2653F239680843D... Authorized Signature
	<u>Mark J. Sibley</u> Printed Name
	<u>President</u> Title
	<u>BEUMER Lifecycle Management, LLC</u> Company Name
	<u>0000040977</u> City Supplier Number
Approved as to Form:	
David Chiu City Attorney	
By: <u>DocuSigned by: Sallie Gibson</u> DE0F4C2305AE4DA... Sallie Gibson Deputy City Attorney	<u>800 Apgar Drive</u> Address
	<u>Somerset, NJ 08873</u> City, State, ZIP
	<u>732-893-2800</u> Telephone Number
	<u>82-3745033</u> Federal Employer ID Number