

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

Modification No. 4

THIS MODIFICATION (this “Modification”) is dated August 15, 2023, in San Francisco, California, by and between **Dignity Health dba St. Mary’s Medical Center** (“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 to provide urgent care; emergency medicine; occupational medicine; travel medicine; pre-placement examinations; and clinical care for City and tenant employees, contractors, and the traveling public; and

B. On February 19, 2019, by Resolution No. 19-0026, the Commission awarded this Agreement to the Contractor for the initial term of July 1, 2019 through June 30, 2022, in a not-to-exceed amount of \$5,900,000; and

C. On May 28, 2020, the Airport Director administratively modified the Agreement (Modification No. 1) to add Dignity Health Medical Foundation (DHMF) as a subcontractor to the Agreement to make available onsite testing for diagnosis of COVID-19 for Airport Commission employees, and for employees of Airport tenants, Airlines and other entities that provide services at SFO; and

D. On May 18, 2021, by Resolution No. 21-0116, the Commission approved Modification No. 2 to increase the not-to-exceed amount for the initial term of the Agreement to \$9,400,000, and to reduce the fixed management fee established in the Agreement by 50% for fiscal years 2020-2021 and 2021-2022; and

E. On April 19, 2022, by Resolution No. 22-0062, the Commission approved Modification No. 3 to exercise the option to extend the term for two years to June 30, 2024 and increase the not-to-exceed amount for the Agreement to \$11,000,000, and to reduce the Clinic’s Monday-to-Friday operating hours from 12 to 8 hours for fiscal years 2022-2023 and 2023-2024; and

F. On June 7, 2022, by Resolution No. 269-22, the Board of Supervisors approved Modification No. 3 under San Francisco Charter Section 9.118; and

G. On August 15, 2023, by Resolution No. 23-0201, the Commission approved Modification No. 4 to increase the not-to-exceed amount to \$12,700,000; and

H. On _____, by Resolution No. _____, the Board of Supervisors approved Modification No. 4 under San Francisco Charter Section 9.118; and

I. There is no Local Business Entity (“LBE”) subcontracting participation requirement for this Agreement; and

J. Approval for this Agreement was obtained when the Civil Service Commission approved PSC No. 44548-16/17 on April 18, 2022.

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

1. **Article 1. Definitions, Section 1.1 Agreement** means the contract document dated July 1, 2019, Modification No. 1, dated May 28, 2020, Modification No. 2, dated April 19, 2022, Modification No. 3, dated May 18, 2021, including all attached appendices, and all applicable city ordinances and “Mandatory City Requirements” which are specifically incorporated by reference into the Agreement.
2. **Article 3. Financial Matters, Section 3.3. Compensation, 3.3.1 Payment** is hereby amended to increase the total compensation by \$1,700,000 for a new total not-to-exceed amount of \$12,700,000.
3. **Appendix C** is hereby replaced in its entirety with the new **Appendix C-1: Financial Projections, Five-Year Budget.**

**APPENDIX C-1: FINANCIAL PROJECTIONS
FIVE-YEAR BUDGET**

| FISCAL YEAR | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | TOTAL 5-YR. |
|---|--------------------|--------------------|--------------------|--------------------|---------------------------|----------------------|
| | Actual | Actual | Actual | Actual* | Estimated Proposed Budget | |
| BASE CASE SCENARIO | | | | | | |
| Visit Volume | 13,375 | 10,449 | 16,113 | 10,319 | 10,319 | |
| Revenue Per Visit | \$97 | \$113 | \$91 | \$88 | \$88 | |
| Net Patient Revenue | \$1,302,015 | \$1,176,802 | \$1,465,605 | \$910,003 | \$910,003 | \$5,764,428 |
| Labor Costs | \$3,204,511 | \$3,023,821 | \$3,123,681 | \$2,537,592 | \$2,740,599 | \$14,630,204 |
| Additional Staffing | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Additional Advertising | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Non-Labor Expenses | \$313,937 | \$263,547 | \$263,230 | \$266,729 | \$293,402 | \$1,400,845 |
| EMR Interface between eCW and Cerner PCA | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Operating Expenses | \$3,518,448 | \$3,287,368 | \$3,386,911 | \$2,804,321 | \$3,034,001 | \$16,031,049 |
| Operating Shortfall (Base Case Scenario) | -\$2,216,433 | -\$2,110,566 | -\$1,921,306 | -\$1,894,318 | -\$2,123,998 | -\$10,266,621 |
| Mgmt. Fee (Fixed) | \$355,000 | \$177,500 | \$177,500 | \$355,000 | \$355,000 | \$1,420,000 |
| Mgmt. Fee Adj. (60% of Savings): To Be Determined | | \$0 | \$0 | \$0 | \$0 | |
| Total Mgmt. Fee | \$355,000 | \$177,500 | \$177,500 | \$355,000 | \$355,000 | \$1,420,000 |
| PROJECTED SFO PAYMENTS (BASE CASE) | \$2,571,433 | \$2,288,066 | \$2,098,806 | \$2,249,318 | \$2,478,998 | \$11,686,621 |
| PROJECTED SFO PAYMENTS (RANGE) | \$2,571,433 | \$2,288,066 | \$2,098,806 | \$2,249,318 | \$3,492,377 | |
| MAX. PROJECTED 5-YR. BUDGET (RANGE) | | | | | \$11,686,621 | |
| | | | | | \$12,700,000 | |

*Unaudited (the audit will be completed by the end of October 2023).

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 | DocuSigned by: <i>Daryn J. Kumar, MBl, FAACE</i> D4566ED3052F408 |
| Attest: | Authorized Signature |
| By _____ Kantrice Ogletree, Secretary Airport Commission | Daryn Kumar, President and CEO Dignity Health, dba St. Mary's Medical Center 450 Stanyan Street San Francisco, CA 94117 415-750-4855 |
| Resolution No: <u>23-0201</u> | City Supplier ID: 0000021370 |
| Adopted on: <u>August 15, 2023</u> | Federal Employer ID Number: 94-1196203 |
| Approved as to Form: | |
| David Chiu City Attorney | |
| By _____ | |
| Christopher Stuart Deputy City Attorney | |