

Committee Item No. 13
Board Item No. 25

AGENDA PACKET CONTENTS LIST

Date July 23, 2014

Date July 29, 2014

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input checked="" 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 checked="" 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 checked="" type="checkbox"/>	Contract/Agreement
<input checked="" type="checkbox"/>	<input checked="" 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

X

Airport Commission Resolutions

Completed by: Linda Wong Date: July 18, 2014
Completed by: Linda Wong Date: 7/23/14

1 [Contract Amendment - PGH Wong Engineering, Inc. - Construction Management Services -
2 Airport Terminal 3 Project - Not to Exceed \$13,700,000]

3 **Resolution approving Amendment No. 4 to Airport Contract 8974.9, Construction**
4 **Management for Terminal 3, Boarding Area E Refurbishment Project between PGH**
5 **Wong Engineering, Inc., and the City and County of San Francisco, acting by and**
6 **through its Airport Commission, in an amount not to exceed \$12,000,000 to commence**
7 **following Board approval for term ending June 30, 2015, pursuant to Charter, Section**
8 **9.118(b); and authorizing the Airport Director to negotiate and execute, with Airport**
9 **Commission approval, further amendments not to exceed \$13,700,000 for a term end**
10 **date no later than February 1, 2017.**

11
12 WHEREAS, The Airport's Terminal 3 Program includes the Boarding Area E
13 Refurbishment (BAE) Project and the Terminal 3 East Improvements (T3-East) Project,
14 among other future projects; and

15 WHEREAS, Originally, these two projects were managed separately, but as work
16 progressed and the scope of the renovations to Terminal 3 increased, the Airport reorganized
17 the projects into the Terminal 3 Program and reorganized the construction management (CM)
18 contracts for both projects, adding administrative CM services to maintain consistency of
19 reports, coordination of current and future projects, overall program oversight, and to realize
20 cost savings for all projects within the Terminal 3 Program; and

1 WHEREAS, The original purpose of Contract No. 8974.9, entitled Construction
2 Management Services for Terminal 3, Boarding Area E Refurbishment Project ("Contract"),
3 was to provide CM services for the BAE Project only; and
4
5

1 WHEREAS, By Resolution No. 10-0265 dated August 3, 2010, the Airport Commission
2 awarded the Contract to PGH Wong Engineering, Inc., in an amount not to exceed
3 \$1,757,250 and with a duration of twenty-two months; and

4 WHEREAS, The estimated value of construction for the BAE Project increased from
5 \$23,800,000 to \$115,000,000, resulting in Modification No. 1 for the corresponding increase in
6 required CM services. By Resolution No. 12-0034 dated February 21, 2012, the Commission
7 authorized Modification No. 1 to the Contract increasing the total not to exceed amount to
8 \$5,223,000 for CM services through June 30, 2015; and

9 WHEREAS, The BAE and T3-East Projects were reorganized into the Terminal 3
10 Program, and the combined estimated value of construction for the two projects is
11 \$300,000,000; and

12 WHEREAS, By Resolution No. 13-0172 dated August 12, 2013, the Commission
13 authorized Modification No. 2 to the Contract increasing the total not-to-exceed amount to
14 \$9,165,000 to fund the additional CM services for the coordinated BAE and T3-East Projects
15 through June 30, 2014; and

16 WHEREAS, By Resolution No. 14-0068 dated April 22, 2014, the Commission
17 authorized Modification No. 3 to the Contract increasing the total not-to-exceed amount to
18 \$12,000,000 for Administrative CM services through June 30, 2015; and

19 WHEREAS, The Airport Director estimates that the total amount for the Contract
20 services through February 1, 2017, will be \$13,700,000; and

21 WHEREAS, San Francisco Charter, Section 9.118(b) provides that the agreements
22 entered into by a department, Board or Commission requiring anticipated expenditures by the
23 City and County of ten million dollars, shall be subject to approval by the Board of Supervisors
24 by resolution; now, therefore, be it
25

1 RESOLVED, That the Board of Supervisors hereby approves amendment number 4 to
2 professional services Contract 8974.9, Construction Management Services for Terminal 3,
3 Boarding Area E Refurbishment Project between PGH Wong Engineering, Inc. and the City
4 and County of San Francisco, acting by and through its Airport Commission, in an amount
5 not-to-exceed \$12,000,000, copies of which are contained in Board of Supervisors' File No.
6 140670; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Airport
8 Director to negotiate and execute, with Airport Commission approval, further amendments to
9 Contract 8974.9 up to \$13,700,000 with a contract end date of no later than February 1, 2017,
10 provided any future amendment does not change other material terms of the contract; and, be
11 it

12 FURTHER RESOLVED, That within thirty (30) days of amendment number 4 being
13 fully executed by all parties, the Airport Commission shall provide the final amendment
14 number 4 to the Clerk of the Board for inclusion into the official file.
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RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

San Francisco International Airport

June 4, 2014

2014 JUN -5 PM 1:53

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

Subject: Approval of Airport Contract 8974.9, Construction and Administrative Management Support Services for Terminal 3, Boarding Area E Refurbishment Project and the Terminal 3 Program between PGH Wong Engineering, Inc. and the City and County of San Francisco, acting by and through its Airport Commission, in an not to exceed amount of \$13,700,000 with a contract end date of no later than February 1, 2017

Dear Ms. Calvillo,

Pursuant to Section 9.118 of the City Charter, I am forwarding for Board of Supervisors approval, a contract between the City and County of San Francisco, through its Airport Commission, for construction management services from PGH Wong Engineering, Inc. This contract was originally estimated to be under \$10 million, but will now exceed the threshold of Section 9.118. The current awarded amount of the Contract is \$12,000,000 for the services through June 30, 2015 with an overall estimated contract amount not to exceed \$13,700,000 for services through February 1, 2017. The Airport Commission awarded this contract by Resolution 10-02656 on August 3, 2010; authorized Modification No. 1 by Resolution 12-0034 on February 21, 2012; authorized Modification No. 2 by Resolution 13-0172 on August 12, 2013; and authorized Modification No. 3 by Resolution 14-0068 on April 22, 2014.

After the award of this Contract, the Airport reorganized two projects, the Boarding Area E Refurbishment Project and the Terminal 3 East Refurbishment Project into a Terminal 3 Program, with the anticipation of future Terminal 3 projects. The Airport reorganized the construction management contracts for both projects to include services of an Administrative construction management team. Terminal 3, Boarding Area E Refurbishment Project met Substantial Completion in January 2014 and is anticipated to meet Final Completion later this year. Terminal 3 East Refurbishment is currently under construction and anticipates Substantial Completion in 2016.

The original and two (2) sets of the following documents are enclosed for review:

- Board of Supervisors Resolution;
- Approved Airport Commission Resolution No. 14-0068;
- Memorandum to the Airport Commission recommending Resolution No. 14-0068;
- Form SFEC-126 for the Board of Supervisors;
- Form SFEC-126 for Mayor Lee;

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

LARRY MAZZOLA
PRESIDENT

LINDA S. CRAYTON
VICE PRESIDENT

ELEANOR JOHNS

RICHARD J. GUGGENHIME

PETER A. STERN

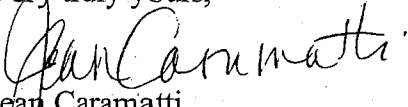
JOHN L. MARTIN
AIRPORT DIRECTOR

140670

- California Environmental Quality Act (CEQA) Amendment to Terminal 3 Boarding Area Expansion Project;
- CEQA Environmental Review to Terminal 3 Boarding Area Expansion Project;
- Copy of Contract and Contract Amendments 1, 2 and 3 with PGH Wong Engineering, Inc.; and
- Copy of proposed Fourth Amendment.

Please contact Cathy Widener of SFO, Government Affairs at 650-821-5023 if you have any questions or concerns regarding this matter.

Very truly yours,


Jean Caramatti
Commission Secretary

Enclosures

Cc: Cathy Widener
Judi Mosqueda
Geri Rayca

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 14-0068

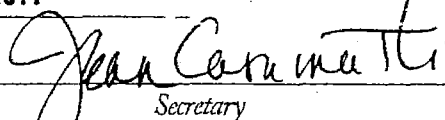
MODIFICATION NO. 3 TO PROFESSIONAL SERVICES AGREEMENT, CONTRACT NO. 8974.9, CONSTRUCTION MANAGEMENT SERVICES FOR THE TERMINAL 3, BOARDING AREA E REFURBISHMENT PROJECT, WITH PGH WONG ENGINEERING, INC., IN AN AMOUNT NOT TO EXCEED \$2,835,000 FOR ADMINISTRATIVE CONSTRUCTION MANAGEMENT SERVICES THROUGH JUNE 30, 2015, FOR A NEW CONTRACT AMOUNT NOT TO EXCEED \$12,000,000.

- WHEREAS, on August 3, 2010, by Resolution No. 10-0265, the Commission awarded the professional services Contract No. 8974.9 entitled, Construction Management Services for the Terminal 3, Boarding Area E Refurbishment Project to PGH Wong Engineering, Inc. (Consultant), in an amount not to exceed \$1,757,250 and with a duration of twenty-two months; and
- WHEREAS, on February 21, 2012, by Resolution No. 12-0034, the Commission authorized Modification No. 1 to Contract No. 8974.9 increasing the total not to exceed amount to \$5,223,000, and extending the duration of the Contract to June 30, 2015. This Modification No. 1 provided for the expanded scope of work and increased staffing levels required to provide the proper oversight of the increased estimated value of construction from \$23,800,000 to \$115,000,000; and
- WHEREAS, on August 12, 2013, by Resolution No. 13-0172, the Commission authorized Modification No. 2 to this Contract No. 8974.9 increasing the contract to a total not to exceed amount to \$9,165,000 for Administrative Construction Management (ACM) services through June 30, 2014. This Modification No. 2 provided ACM services of the Terminal 3 Program, including management of both the Boarding Area E Refurbishment Project and the Terminal 3 Improvements Project, to maintain consistency of report, coordinate the project, provide overall program oversight, and to realize cost savings for both projects; and
- WHEREAS, Staff and Consultant have reached an agreement on scope, staffing and fee for an additional year of ACM services and an increase to the not-to-exceed amount of Contract No. 8974.9 by \$2,835,000 for ACM services through June 30, 2015, for a new contract amount not to exceed \$12,000,000; and
- WHEREAS, Staff estimates that the total budget for this Contract will be \$13,700,000 for services through February 1, 2017; now, therefore be it
- RESOLVED, the Commission authorizes Modification No. 3 to the professional services agreement, Contract No. 8974.9 entitled, Construction Management Services for the Terminal 3, Boarding Area E Refurbishment Project, with PGH Wong Engineering, Inc., in an amount not to exceed \$2,835,000 for Administrative Construction Management services through June 30, 2015, for a total contract amount not to exceed \$12,000,000; and, therefore, be it further
- RESOLVED, that this Commission directs the Commission Secretary to seek Board of Supervisors approval for Airport Contract No. 8974.9, Construction Management Services for the Terminal 3, Boarding Area E Refurbishment Project, with PGH Wong Engineering, Inc. in conformance with San Francisco Charter Section 9.118(b).

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

at its meeting of _____

APR 22 2014


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0265

AWARD PROFESSIONAL SERVICES AGREEMENT, CONTRACT 8974.9,
CONSTRUCTION MANAGEMENT SERVICES FOR TERMINAL 3/BOARDING AREA E
REFURBISHMENT, TO PGH WONG ENGINEERING, INC., IN AN AMOUNT NOT TO
EXCEED \$1,757,250.

WHEREAS, on April 20, 2010, by Resolution No. 10-157, the Commission authorized the Director to issue a Request for Proposals (RFP) for Contract 8974.9, Construction Management Services for Terminal 3/Boarding Area E Refurbishment (Project); and

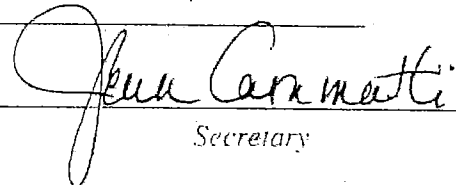
WHEREAS, on July 20, 2010, by Resolution No. 10-0242, the Commission accepted the Selection Panel's recommendation of PGH Wong Engineering, Inc. as the highest ranked construction management consultant for the Project and authorized Staff to enter into negotiations and prepare a professional services contract for Commission consideration and award; and

WHEREAS, Staff has negotiated an appropriate scope, staffing and fee with PGH Wong Engineering, Inc., for the Project; and

WHEREAS, Staff recommends a contract amount for construction management services, including materials testing and special inspection, of \$1,757,250; now, therefore be it

RESOLVED, that this Commission hereby awards a Professional Services Agreement, Contract 8974.9, Construction Management Services for Terminal 3/Boarding Area E Refurbishment, to PGH Wong Engineering for an amount not to exceed \$1,757,250.

*I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of* AUG 03 2010


Secretary



San Francisco International Airport

MEMORANDUM

April 22, 2014

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

FROM: Airport Director

SUBJECT: Authorize Modification No. 3 to Contract No. 8974.9, Construction Management Services for the Terminal 3, Boarding Area E Refurbishment Project

DIRECTOR'S RECOMMENDATION: AUTHORIZE MODIFICATION NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT, CONTRACT NO. 8974.9, CONSTRUCTION MANAGEMENT SERVICES FOR THE TERMINAL 3, BOARDING AREA E REFURBISHMENT PROJECT, WITH PGH WONG ENGINEERING, INC., IN AN AMOUNT NOT TO EXCEED \$2,835,000 FOR ADMINISTRATIVE CONSTRUCTION MANAGEMENT SERVICES THROUGH JUNE 30, 2015, FOR A NEW CONTRACT AMOUNT NOT TO EXCEED \$12,000,000.

Executive Summary

The Commission awarded this Contract No. 8974.9 entitled, Construction Management Services for the Terminal 3, Boarding Area E Refurbishment Project to PGH Wong Engineering, Inc. (PGH Wong) on July 20, 2010, by Resolution No. 10-0242. The original contract was for an amount not to exceed \$1,757,250 and was for twenty-two (22) months duration.

The Commission authorized Modification No. 1 to the contract for a total contract amount not to exceed \$5,223,000 and extended the duration of the contract to June 30, 2015 by Resolution No. 12-0034 on February 21, 2012.

The Commission authorized Modification No. 2 to the contract for a total contract amount not to exceed \$9,165,000 for Administrative Construction Management (ACM) services through to July 31, 2014 by Resolution No. 13-0172 on August 13, 2013.

Transmitted herewith for your authorization, is a proposed resolution for Modification No. 3 to Contract No. 8974.9 to increase the not to exceed amount by \$2,835,000 for a new contract amount not to exceed \$12,000,000 for ACM services through June 30, 2015.

Background

The original contract was for an amount not to exceed \$1,757,250 and duration of twenty-two (22) months for construction management (CM) services for the Boarding Area E Refurbishment Project. After Notice-to-Proceed was given, the original expiration date of the contract was June 30, 2012. The scope of services was to support an original design build estimated contract amount of \$23,000,000.

As a result of reprogramming of the Boarding Area E Refurbishment Project, the Commission awarded a significantly larger design-build contract to Hensel Phelps Construction Company for an anticipated contract amount of \$115,000,000. Modification No. 1 to this construction management services Contract No. 8974.9 was authorized to address the need for increased CM services for the increased scope of the underlying construction project, Boarding Area E Refurbishment Project.

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

THIS PRINT COVERS CALENDAR ITEM NO. 2

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

As part of the T3 Improvement Program a second design-build contract for the Terminal 3 East Improvements Project was awarded by the Commission to Hensel Phelps Construction Co. for an estimated contract value of \$187,000,000. Construction Management services for the Terminal 3 East Improvements Project is currently being provided by T3 East, a Joint Venture.

The Boarding Area E and the Terminal 3 East projects are directly adjacent to each other. Both projects are interrelated and require a high degree of coordination. For this reason the Airport Staff selected resources from both construction management firms to create a joint ACM team to lower CM costs, and to maintain consistency of reporting, overall program oversight, and coordination. The joint ACM team included one program manager replacing two project managers, and a shared special systems manager, shared MEP manager, and shared administrative and document control support. The Commission authorized Modification No. 2 to this CM contract for increased services through June 31, 2014.

This Modification No. 3 to Contract No. 8974.9 with PGH Wong provides for the following staffing positions in the shared ACM team for services through June 30, 2015:

- Administrative Construction Manager, Project Controls Manager, Tenant Improvements Manager, Assistant Resident Engineer/Field Scheduler, Office Engineer, and personnel for Materials Testing and Special Inspections.

Staff and PGH Wong have reached an agreement regarding scope, staffing, and fees for ACM services through June 30, 2015. Staff will assess the need for extended ACM services prior to June 2015, and return to the Commission to request approval for the remaining services needed to complete the T3 Program. The total estimated contract budget for ACM and construction management services for this contract is \$13,700,000 with an estimated duration through February 1, 2017.

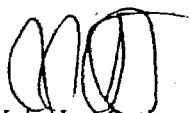
Since the contract will exceed \$10 million, pending Commission authorization, the Airport will seek Board of Supervisors' approval as required by San Francisco Charter Section 9.118(b) for the full estimated costs of the contract and duration.

Under this Modification No. 3, Staff proposes to increase the not to exceed amount of Contract 8974.9 by \$2,835,000, for a new contract amount of \$12,000,000 for services through June 30, 2015. The total budget continues to be within the Airport's overall goal for soft cost performance of 15% of the construction costs.

The City's Contract Monitoring Division (CMD) approved an 18% LBE subconsultant participation goal for this Contract No. 8974.9. PGH Wong has committed to meeting this goal, and is currently projecting 21% participation.

Recommendation

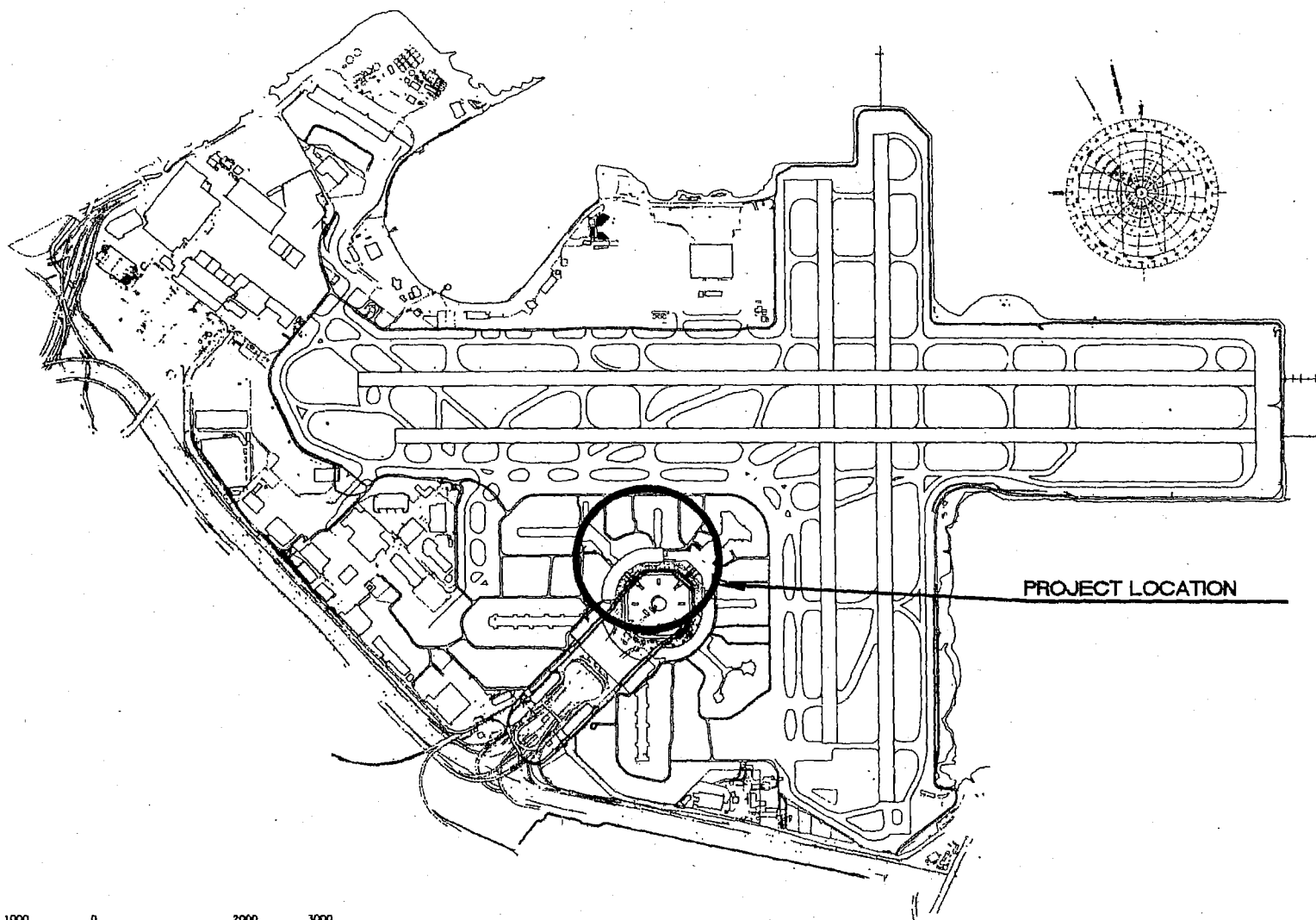
Based on the above, I recommend that the Commission authorize this Modification No. 3 to Contract No. 8974.9, Construction Management Services for the Terminal 3 Boarding Area E Refurbishment Project, in an amount not to exceed \$2,835,000, for Administrative Construction Management services through June 30, 2015, for a new total contract amount not to exceed \$12,000,000, contingent upon approval by the San Francisco Board of Supervisors.



John L. Martin
Airport Director

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

Attachment



PROJECT LOCATION

1000 0 2000 3000

----- GRAPHICAL SCALE (FEET) -----

Prepared by: Airport Design & Construction
Geoff Neumayr - Deputy Airport Director
April 2014

SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO
AIRPORT COMMISSION
John L. Martin - Airport Director

AIRPORT CONTRACT No. 8974.9
TERMINAL 3, BOARDING AREA E REFURBISHMENT PROJECT



San Francisco International Airport

May 14, 2012

RECEIVED

JUN -4 2012

Mr. Brett Bollinger
Environmental Planning
San Francisco Planning Department
1660 Mission Street, Suite 500
San Francisco, California 94103

Environmental
Planning

Subject: *CEQA Environmental Review: Amendment to Terminal 3 Boarding Area Expansion Project, San Francisco International Airport*

Dear Mr. Bollinger:

The Airport is seeking EP concurrence that the proposed amendment to the Terminal 3 Boarding Area Expansion (T3) project is consistent with the scope and scale of work described in the original Categorical Exemption request, approved by EP on July 6, 2011. The initial Categorical Exemption approved work in two sections of Terminal 3; the security checkpoint and amenities at Boarding Area F (10,000 sq. ft.), and the Boarding Area E amenities, restrooms, and hold rooms (20,000 sq. ft.). The proposed amendment would include an additional 15,000 square feet of interior space to the initial proposal for Boarding Area F in the Airport's Terminal 3 Concourse (see Exhibit 1).

Proposed Amendment

Boarding Area F (Security Checkpoint)

As described in the Airport's June 9, 2011 letter, to better facilitate new security checkpoint standards and current passenger levels, the Airport must relocate and expand one of the security checkpoints within the Terminal 3 Concourse. In EP's July 6, 2011 determination, an increase of 10,000 square feet of Boarding Area F was approved as a part of the Categorical Exemption. Subsequent refinement of the Boarding Area F requirements resulted in an expansion of space required to facilitate modern security checkpoints and Airport amenities. The amended work would include an additional 15,000 square feet, resulting in a total of 25,000 square feet, for the Boarding Area F component of the project. The proposed 15,000 square feet increase would equate to 1.5% of the existing Terminal 3 Concourse area. Combined with the previously approved work, the proposed area would result in a total increase of 4.7% or 45,000 square feet.

Modern security checkpoint requirements require larger spaces to accommodate passenger queues, scanning equipment, and screening activities. The Terminal 3 Concourse was designed before the existing security screening requirements were in place. The proposed project would

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

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PRESIDENT

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VICE PRESIDENT

ELEANOR JOHNS

RICHARD J. GUGGENHIME

PETER A. STERN

JOHN L. MARTIN
AIRPORT DIRECTOR

Mr. Brett Bollinger

May 14, 2012

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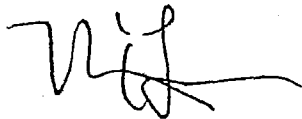
provide a larger area for the modernized checkpoint, to reduce passenger queuing times, and accommodate the displaced Airport concession space. Structural expansion would require the demolition and relocation of departure level walls in certain areas (see "Proposed Building Expansion" in Exhibit 1). The proposed work would improve passenger amenities and level-of-service and would not result in any substantial increase in capacity or change existing uses.

Environmental Determination: The proposed amendments are consistent with the scope of the previously exempted Terminal 3 Concourse project. The increased square footage would not generate additional traffic at the airport. The project qualifies for a Categorical Exemption under §15332(Class 32) of CEQA Guidelines, which exempts infill development. The Airport is essentially a campus development and infill projects accommodate the Airport's changing facility needs while maintaining campus continuity. As described, the proposed construction would take place on developed land and serve the same purpose as the previously proposed facilities.

The proposed amendment would serve to meet current Airport standards for security and passenger level-of-service. The Airport is seeking EP concurrence that the Terminal 3, Boarding Area F amendment is consistent with the July 6, 2011 determination and Categorically Exempt under CEQA.

Please contact Avant Ramsey with any questions or concerns at (650) 821-7836 or avant.ramsey@flysfo.com.

Sincerely,



Nixon Lam
Manager of Environmental Affairs

Attachment: Exhibit 1

**SAN FRANCISCO DEPARTMENT OF CITY PLANNING
CATEGORICALLY EXEMPT FROM ENVIRONMENTAL REVIEW**

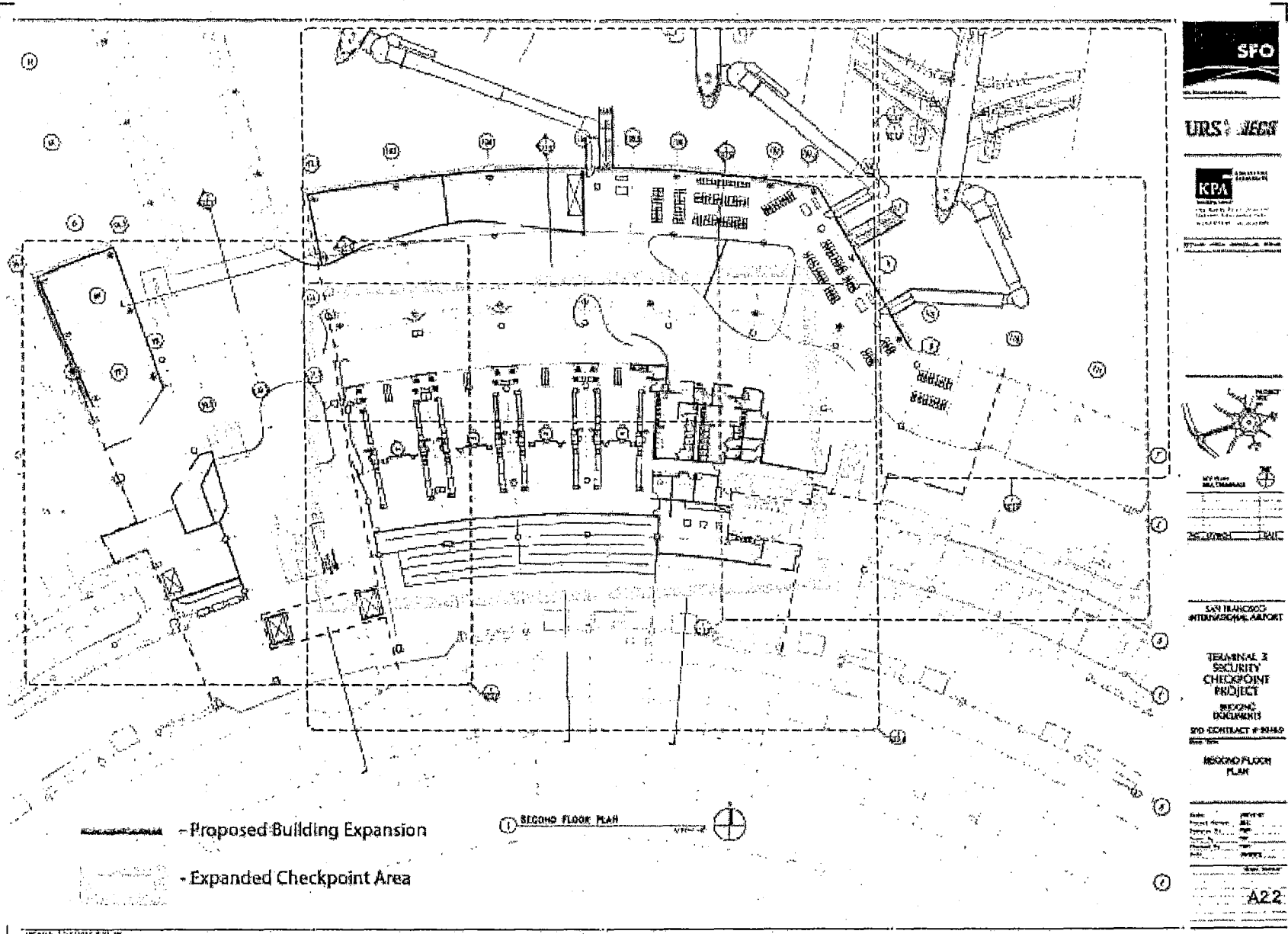
CLASS 32 - Infill Development

Addition to existing terminal on developed land that will serve the same purpose as the existing terminal building.

Brett Bollinger 5/23/12

2012-0647E

cc: Bill Wycko
Ivar Satero
Judi Mosqueda
Claudia Luquin
Melba Yee





San Francisco International Airport

RECEIVED

RECEIVED

June 9, 2011

JUL 13 2011

JUN 10 2011

Mr. Brett Bollinger
Environmental Planning
San Francisco Planning Department
1660 Mission Street, Suite 500
San Francisco, California 94103

Planning and Environmental
Affairs

CITY & COUNTY OF S.F.
PLANNING DEPARTMENT
M E A

Subject: *CEQA Environmental Review: Terminal 3 Boarding Area Expansion Project,
San Francisco International Airport*

Dear Mr. Bollinger:

The Airport is seeking EP concurrence that the Terminal 3 Boarding Area Expansion (T3) project is Categorical Exempt under the California Environmental Quality Act. The project would include minor expansion of hold room areas, seismic retrofitting, and relocation and modernization of interior uses in Boarding Areas E and F within the Terminal 3 building (see Exhibit 1).

Project Descriptions

Terminal 3 Boarding Area Expansion Project

The April 2011 opening of Terminal 2 incorporated many LEED and environmentally sustainable design features into the development. The Airport is seeking similarly to update and modernize a portion of the aging Terminal 3 building, specifically Boarding Area E (B/A E) and a Boarding Area F (B/A F). The proposed improvements would accommodate changing passenger and security needs at the Airport. Although the proposed project would relocate certain uses within the proposed T3 work area, the improvements would not result in a significant increase or change in overall use of the Terminal 3 building. Combined, the work proposed for B/A E and F would include an expansion of 30,000 square feet to the approximately one million square-foot T3 building,¹ resulting in a 3.1% increase in new space.

Boarding Area E

The proposed work in B/A E (see Exhibit 1) would consist of minor refinishing to interior spaces and systems, and an addition of roughly 20,000 square feet to the hold room areas, which provides passengers a waiting area before or between flights. The 2,000 square foot increase in

¹ Existing Terminal 3 building is 953,975 square feet.

Mr. Brett Bollinger

June 9, 2011

Page 3 of 3

is seeking EP concurrence that the Terminal 3 Boarding Area Expansion project is Categorically Exempt under CEQA.

Please contact Avant Ramsey with any questions or concerns at (650) 821-7836 or avant.ramsey@flysfso.com.

Sincerely,



Nixon Lam
Manager of Environmental Affairs

Attachments: Exhibit 1

cc: Bill Wycko
Ivar Satero
Judi Mosqueda
Claudia Luquin
Melba Yee

SAN FRANCISCO DEPARTMENT OF CITY PLANNING
CATEGORICALLY EXEMPT FROM ENVIRONMENTAL REVIEW

CLASS 32 - Infill Development

Addition to existing terminal on developed land that will serve the same purpose as the existing terminal building.


Approved Planning Dept. Brett Bollinger

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

Fourth Amendment

THIS AMENDMENT (this "Amendment") is made as of **April 22, 2014**, in San Francisco, California, by and between **PGH Wong Engineering, Inc.** ("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

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, the Commission adopted Resolution Number **10-0265** on **August 3, 2010**, which authorized the award of said Agreement for the period of **August 23, 2010** through **June 30, 2012**; and

WHEREAS, the Commission adopted Resolution Number **12-0034** on **February 21, 2012**, which authorized the award of Modification No. 1 of said Agreement for the period of **August 23, 2010** through **June 30, 2015**; and

WHEREAS, Commission adopted Resolution Number **13-0172** on **August 12, 2013**, which authorized the award of Modification No. 2 of said Agreement through July 2014; and

WHEREAS, Commission authorized this Modification 3 pursuant to Resolution Number **14-0068** on **April 22, 2014** to increase the Agreement amount and extend the Agreement through June 30, 2015; and

WHEREAS, pursuant to San Francisco Charter Section 9.118, the Board of Supervisors by its Resolution No. [insert resolution number], adopted [insert date], approved the contract with Contractor; and

WHEREAS, approval for this Amendment was obtained when the Civil Service Commission approved Contract number **PSC 4106-09/10** on **October 7, 2013**; and

WHEREAS, prior modifications were identified as "Agreements," this and future modifications are, and will be, identified as "Amendments"; and

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

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

a. Agreement. The term "Agreement" shall mean the Agreement dated **August 3, 2010** between Contractor and City referenced as Contract No. 8974.9, as amended by the:

First Amendment,	dated July 1, 2012
Second Amendment,	dated August 12, 2013
Third Amendment,	dated October 7, 2013

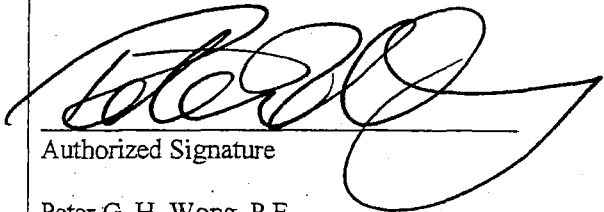
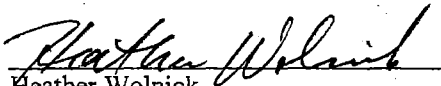
b. **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Section 5. Compensation.** The compensation is hereby amended to increase the total compensation payable by an amount not to exceed **Two Million Eight Hundred Thirty-five Thousand Dollars (\$2,835,000)** for a new total not to exceed amount of **Twelve Million Dollars (\$12,000,000)**.

3. **Effective Date.** Each of the modifications set forth in this Amendment shall be effective on and after April 22, 2014.

4. **Legal Effect.** Except as expressly modified by this Amendment, 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 Amendment as of the date first referenced above.

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By: _____ John L. Martin, Airport Director	 Authorized Signature
Attest:	Peter G. H. Wong, P.E. CEO PGH Wong Engineering, Inc.
By _____ Jean Caramatti, Secretary Airport Commission	14532 City Vendor Number
Resolution No: 14-0068	182 – 2 nd Street, Suite 500 San Francisco, California 94105
Adopted on: April 22, 2014	415-566-0800
Approved as to Form:	94-2987905 Federal Employer ID Number
Dennis J. Herrera City Attorney	
By  Heather Wolnick Deputy City Attorney	

Appendices:

Appendix B.4, Calculation of Charges

APPENDIX B.4
CALCULATION OF CHARGES



APPENDIX B.4
CALCULATION OF CHARGES

Appendix B.4 which is attached to, and incorporated by reference in the Agreement made on **April 22, 2014** between the City and County of San Francisco, acting by and through its Airport Commission (Commission), and **PGH Wong Engineering, Inc.** (Contractor) providing for construction management and administrative construction management services for Terminal 3/Boarding Area E Refurbishment Project and Terminal 3 Improvements Program.

A. GENERAL

1. For the complete and satisfactory performance of the services detailed in Appendix A and Appendix A.1 of this Agreement, the City will pay fees and expenses not-to-exceed **Twelve Million Dollars (\$12,000,000)**. This amount is for the purpose of establishing a budget figure for certification by the Controller only. The total compensation to be paid shall not exceed that amount unless increased by an appropriate amendment to this Agreement.
2. No Change
3. No Change

B. METHOD OF PAYMENT

1. No Change
2. No Change
3. No Change
4. No Change
5. No Change
6. No Change
7. No Change

C. DIRECT SALARY RATE AND DIRECT SALARY RATE ADJUSTMENT

1. No Change
2. No Change

-
3. No Change

D. BILLING RATES

1. No Change
2. No Change

E. FIXED FEE

No Change

F. OTHER DIRECT COST

1. No Change
2. No Change

G. APPROVED HOURLY BASE RATES

No change

END OF APPENDIX B.3

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

Third Amendment

THIS AMENDMENT (this "Amendment") is made as of **October 7, 2013**, in San Francisco, California, by and between **PGH Wong Engineering, Inc.** ("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

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, the Commission adopted Resolution Number **10-0265** on **August 3, 2010**, which authorized the award of said Agreement for the period of **August 23, 2010** through **June 30, 2012**; and

WHEREAS, the Commission adopted Resolution Number **12-0034** on **February 21, 2012**, which authorized the award of Modification No. 1 of said Agreement for the period of **August 23, 2010** through **June 30, 2015**; and

WHEREAS, Commission adopted Resolution Number **13-0172** on **August 12, 2013**, which authorized the award of Modification No. 2 of said Agreement through July 2014; and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the Agreement amount and to add staff for the Terminal 3 Program shared Administrative Construction Management (ACM) service portion of the Agreement through July 2014; and

WHEREAS, approval for this Amendment was obtained when the Civil Service Commission approved Contract number **PSC 4106-09/10** on **October 7, 2013**; and

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

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

a. Agreement. The term "Agreement" shall mean the Agreement dated **August 3, 2010** between Contractor and City referenced as Contract No. 8974.9, as amended by the:

First Amendment,	dated July 1, 2012
Second Amendment,	dated August 12, 2013

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

2. Section 5. Compensation. The compensation is hereby amended to increase the total compensation payable by an amount not to exceed **One Million Seven Hundred Sixty-five Thousand Dollars**

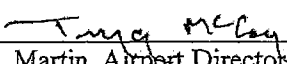
(\$1,765,000) for a new total not to exceed amount of **Nine Million One Hundred Sixty-five Thousand Dollars (\$9,165,000)**.

3. **Effective Date.** Each of the modifications set forth in this Amendment shall be effective on and after September 20, 2013.

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

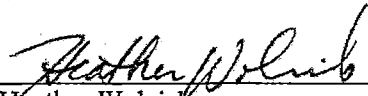
IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

CITY
AIRPORT COMMISSION
CITY AND COUNTY OF
SAN FRANCISCO

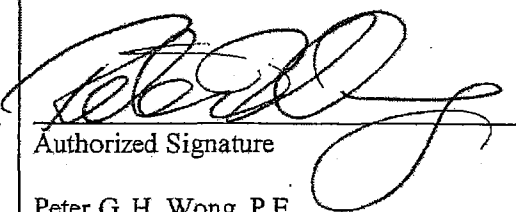
By: 
John L. Martin, Airport Director

Approved as to Form:

Dennis J. Herrera
City Attorney

By: 
Heather Wolnick
Deputy City Attorney

CONTRACTOR


Authorized Signature

Peter G. H. Wong, P.E.
CEO
PGH Wong Engineering, Inc.

14532
City Vendor Number

182 - 2nd Street, Suite 500
San Francisco, California 94105

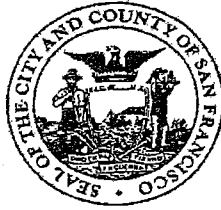
415-566-0800

94-2987905
Federal Employer ID Number

Appendices:

Appendix B.3, Calculation of Charges

APPENDIX B.3
CALCULATION OF CHARGES



APPENDIX B.2
CALCULATION OF CHARGES

Appendix B.3 which is attached to, and incorporated by reference in the Agreement made on August 3, 2010 between the City and County of San Francisco, acting by and through its Airport Commission (Commission), and PGH Wong Engineering, Inc. (Contractor) providing for construction management and administrative construction management services for Terminal 3/Boarding Area E Refurbishment Project and Terminal 3 Improvements Program.

A. GENERAL

1. For the complete and satisfactory performance of the services detailed in Appendix A and Appendix A.1 of this Agreement, the City will pay fees and expenses not-to-exceed **Nine Million One Hundred Sixty-five Thousand Dollars (\$9,165,000)**. This amount is for the purpose of establishing a budget figure for certification by the Controller only. The total compensation to be paid shall not exceed that amount unless increased by an appropriate amendment to this Agreement.
2. No Change
3. No Change

B. METHOD OF PAYMENT

1. No Change
2. No Change
3. No Change
4. No Change
5. No Change
6. No Change
7. No Change

C. DIRECT SALARY RATE AND DIRECT SALARY RATE ADJUSTMENT

1. No Change
2. No Change

3. No Change

D. BILLING RATES

1. No Change

2. No Change

E. FIXED FEE

No Change

F. OTHER DIRECT COST

1. No Change

2. No Change

G. APPROVED HOURLY BASE RATES

No change

END OF APPENDIX B.3

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

Second Amendment

THIS AMENDMENT (this "Amendment") is made as of **August 12, 2013**, in San Francisco, California, by and between **PGH Wong Engineering, Inc.** ("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

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, the Commission adopted Resolution Number **10-0265** on **August 3, 2010**, which authorized the award of said Agreement for the period of **August 23, 2010** through **June 30, 2012**; and

WHEREAS, the Commission adopted Resolution Number **12-0034** on **February 21, 2012**, which authorized the award of Modification No. 1 of said Agreement for the period of **August 23, 2010** through **June 30, 2015**; and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the Agreement amount and to add staff for the Terminal 3 Program shared Administrative Construction Management (ACM) service portion of the Agreement through July 2014; and

WHEREAS, Commission authorized this Modification 2 pursuant to Resolution Number **13-0172** on **August 12, 2013**; and

WHEREAS, approval for this Amendment was obtained when the Civil Service Commission approved Contract number **PSC 4106-09/10** on **April 16, 2012**; and

WHEREAS, the Commission desires to modify the Agreement for administrative changes required by recently enacted San Francisco contracting ordinances; and

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

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

a. Agreement. The term "Agreement" shall mean the Agreement dated **August 3, 2010** between Contractor and City referenced as Contract No. 8974.9, as amended by the:

First Amendment, dated **July 1, 2012**

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

2. **Section 5. Compensation.** The compensation is hereby amended to increase the total compensation payable by an amount not to exceed **Two Million One Hundred Seventy-seven Thousand Dollars (\$2,177,000)** for a new total not to exceed amount of **Seven Million Four Hundred Thousand Dollars (\$7,400,000)**.

This Amendment is a partial authorization of the Commission awarded amount (\$3,942,000) due to the current maximum Civil Service Authorization amount which equals \$7,400,000. A third amendment to fund the remaining \$1,765,000 will be prepared when approval is received from Civil Service.

3. **Section 8. Submitting False Claims; Monetary Penalties** is hereby replaced in its entirety to read as follows:

8. Submitting False Claims; Monetary Penalties.

Pursuant to 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. The text of Sections 6.80-6.83, along with the entire San Francisco Administrative Code is available on the web at: http://www.amlegal.com/nxt/gateway.dll?f=templates&fn=default.htm&vid=amlegal:sanfrancisco_ca. 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.

4. **Section 42. Limitations on Contributions** is hereby replaced in its entirety as follows:

42. Limitations on Contributions. Through execution of 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 a board 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. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that 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. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

5. New Section 64. Labor Peace / Card Check Rule is hereby replaced in its entirety to read as follows:

64. Labor Peace / Card Check Rule. Without limiting the generality of other provisions herein 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.

6. New Section 65. Federal Non-Discrimination Provisions is hereby added to read as follows:

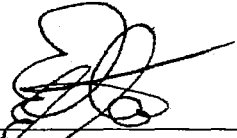
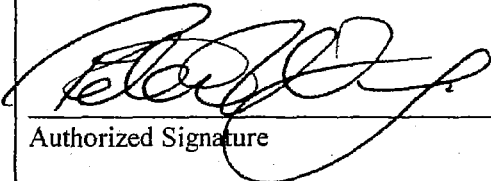
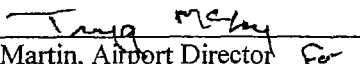
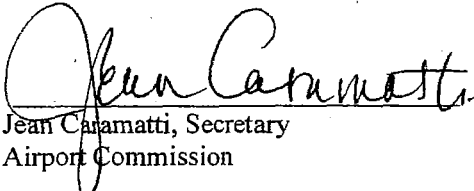
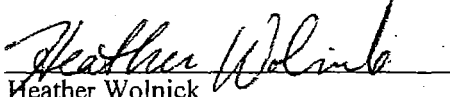
65. Federal Non-Discrimination Provisions. Contractor for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that Contractor shall maintain and operate the Airport facilities and services in compliance with all 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 herein. 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.

7. **Effective Date.** Each of the modifications set forth in this Amendment shall be effective on and after August 12, 2013.

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

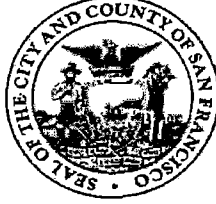
IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
Recommended:  Ivar Satero Deputy Airport Director	 Authorized Signature
By:  John L. Martin, Airport Director for	Peter G. H. Wong, P.E. CEO PGH Wong Engineering, Inc.
Attest:	14532 City Vendor Number
By:  Jean Caramatti, Secretary Airport Commission	182 - 2 nd Street, Suite 500 San Francisco, California 94105
Resolution No: 13-0172	415-566-0800
Adopted on: August 12, 2013	94-2987905 Federal Employer ID Number
Approved as to Form:	
Dennis J. Herrera City Attorney	
By:  Heather Wolnick Deputy City Attorney	

Appendices:

Appendix B.2, Calculation of Charges

APPENDIX B.2
CALCULATION OF CHARGES



APPENDIX B.2
CALCULATION OF CHARGES

Appendix B.2 which is attached to, and incorporated by reference in the Agreement made on **August 3, 2010** between the City and County of San Francisco, acting by and through its Airport Commission (Commission), and **PGH Wong Engineering, Inc.** (Contractor) providing for construction management and administrative construction management services for Terminal 3/Boarding Area E Refurbishment Project and Terminal 3 Improvements Program.

A. GENERAL

1. For the complete and satisfactory performance of the services detailed in Appendix A.1 of this Agreement, the City will pay fees and expenses not-to-exceed **Seven Million Four Hundred Thousand Dollars (\$7,400,000)** and is broken down as follows: labor of \$5,865,043; other direct cost (ODC) allowance of \$184,957; and material testing allowance of \$1,350,000.00. This amount is for the purpose of establishing a budget figure for certification by the Controller only. The total compensation to be paid shall not exceed that amount unless increased by an appropriate amendment to this Agreement.

2. No Change

3. No Change

B. METHOD OF PAYMENT

1. No Change

2. No Change

3. No Change

4. No Change

5. No Change

6. No Change

7. No Change

C. DIRECT SALARY RATE AND DIRECT SALARY RATE ADJUSTMENT

1. No Change

2. No Change
3. The direct labor rates agreed upon at the effective date of this Amendment shall remain effective until June 30, 2014. At least thirty (30) calendar days prior to the expiration date stated in this paragraph C.3, the Contractor may submit to the Airport Project Manager any request for direct labor rate increases for consideration. The submission of a proposed direct labor rate increase by the Contractor does not constitute an agreement by the Commission that any proposed rate increase will be accepted by the Commission.

D. BILLING RATES

1. No Change
2. No Change

E. FIXED FEE

No Change

F. OTHER DIRECT COST

1. No Change
2. No Change

G. APPROVED HOURLY BASE RATES

The following represent some classification changes associated with this second amendment. All classifications not listed below remain unchanged.

CLASSIFICATION	RANGE OF RATES
Administrative Construction Manager	\$80 - \$93
Construction Manager	\$65 - \$85
Resident Engineer	\$60 - \$80
Tenant Improvements Manager	\$65 - \$85
Contract Administrator (First Source)	\$20 - \$35
Administrative Support (First Source)	\$20 - \$35
Project Controls Manager	\$55 - \$70
Cost Engineer	\$50 - \$65
Inspector	\$30 - \$55
Activation Manager	\$65 - \$85

END OF APPENDIX B.2

**Agreement between the City and County of San Francisco and
PGH Wong Engineering, Inc.**

Contract No. 8974.9

First Amendment

THIS AMENDMENT (this "Amendment") is made as of **July 1, 2012**, in San Francisco, California, by and between **PGH Wong Engineering, Inc.** ("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

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, the Commission adopted Resolution Number **10-0265** on **August 3, 2010** which authorized the award of said Agreement for the period of **August 23, 2010** through **June 30, 2012**; and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the performance period, increase the contract amount, and update the scope of services to be performed; and

WHEREAS, Commission approved this Modification No. 1 pursuant to Resolution Number **12-0034** on **February 21, 2012**; and

WHEREAS, approval for this Amendment was obtained when the Civil Service Commission approved Contract number **4106-09/10** on **April 16, 2012**; and

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

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

a. Agreement. The term "Agreement" shall mean the Agreement dated **August 3, 2010** between Contractor and City.

b. Other Terms. Terms used and not defined in this Amendment 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 thousand ninety-six (1,096) calendar days** for a new ending date of **June 30, 2015**.

3. Section 4. Services Contractor agrees to Perform is hereby amended to replace Appendix A in its entirety and incorporate Appendix A.1, Description of Services, attached hereto and incorporated by reference as though fully set forth herein.

4. Section 5. Compensation is hereby amended to replace Appendix B in its entirety and incorporate with Appendix B.1, Calculation of Charges, attached hereto and incorporated by reference as though full set forth herein. Compensation payable shall be increased by an amount not to exceed **Three Million, Four Hundred Sixty-Five Thousand Seven Hundred Fifty Dollars (\$3,465,750)** for a new total not to

exceed amount of Five Million Two Hundred Twenty-Three Thousand Dollars (\$5,223,000). Appendix C, Staffing Plan is hereby deleted from the Agreement in its entirety.

5. **New Section 8. Submitting False Claims; Monetary Penalties** is hereby replaced in its entirety to read as follows:

8. Submitting False Claims; Monetary Penalties.

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at: <http://www.amlegal.com/nxt/gateway.dll?f=templates&fn=default.htm&vid=amlegal:sanfrancisco>. A contractor, subcontractor or consultant 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.

6. **New Section 42. Limitations on Contributions** is hereby replaced in its entirety as follows:

42. Limitations on Contributions. Through execution of 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 a board 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. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that 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. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

7. **Effective Date.** Each of the modifications set forth shall be effective on and after **July 1, 2012**

8. Legal Effect. Except as expressly modified by this Amendment, 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 Amendment as of the date first referenced above.

CITY

AIRPORT COMMISSION
CITY AND COUNTY OF
SAN FRANCISCO

By: 

John L. Martin, Airport Director

Attest:

By: 

Jean Caramatti, Secretary
Airport Commission

Resolution No: 12-0034

Adopted on: February 21, 2012

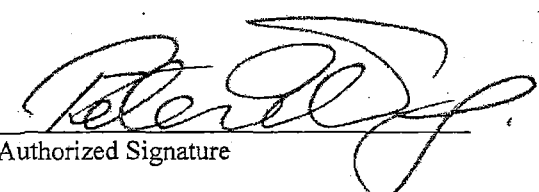
Approved as to Form:

Dennis J. Herrera
City Attorney

By: 

Kathryn Luhe
Deputy City Attorney

CONTRACTOR


Authorized Signature

Peter G.H. Wong, P.E.
Printed Name

CEO
Title

PGH Wong Engineering, Inc.
Company Name

14532
City Vendor Number

182 - 2nd Street, Suite 500
Address

San Francisco, CA 94105
City, State, ZIP

(415) 566-0800
Telephone Number

94-2987905
Federal Employer ID Number

APPENDIX A.1
DESCRIPTION OF SERVICES

**APPENDIX A.1****DESCRIPTION OF SERVICES**

Appendix A is replaced in its entirety with this Appendix A.1 which is attached to, and incorporated by reference in the Agreement made on August 3, 2010 between the City and County of San Francisco, acting by and through its Airport Commission (Commission), and **PGH Wong Engineering, Inc.** (Contractor). Contractor shall provide all labor, material, equipment and supplies to perform construction management services for the Terminal 3, Boarding Area E Improvements Project (T3-BAE) and select administrative construction management services for the Terminal 3 Improvements Program (T3 Program.) The following tasks are included in the Description of Services to be performed under this contract. This list of tasks is to be used as a general guide and is not intended to be a complete list of all tasks that could be assigned to the Contractor.

TASK 1: CONSTRUCTION MANAGEMENT SERVICES FOR WORK ASSOCIATED WITH THE TERMINAL 3, BOARDING AREA E IMPROVEMENTS PROJECT**A. DOCUMENT CONTROL SERVICES**

1. The Contractor shall maintain files of all project documentation in an integrated, accessible electronic format with a hard copy stored in a retrievable system.
2. The Contractor shall maintain status logs of project documents such as: design activities and status, requests for information, submittals, substitution requests, etc.
3. The Contractor shall assess the current computerized document control/reporting systems and recommend upgrades or replacement to support the T3-BAE Project and all associated Projects.
4. The Contractor shall develop and maintain systems for the efficient distribution of project documents to construction contractors, agencies, City departments, and other stakeholders as directed.

B. PROJECT COORDINATION

1. The Contractor shall assist Commission staff with project coordination and development efforts with Airport operations, airlines, agencies and other stakeholders, as required and directed by the Commission.
2. The Contractor shall assist with the establishment, implementation, and modification of project administrative procedures.

3. The Contractor shall implement and support an Action Item system to track key project activities.

C. PROJECT PLANNING

1. The Contractor shall assist with planning and programming studies, which may include special engineering studies and reports such as seismic analysis, facility condition assessments, geotechnical/hazmat investigations, etc.
2. The Contractor shall assist with pre-design and/or pre-construction activities, similar to those listed above.

D. DESIGN MANAGEMENT SERVICES

1. The Contractor shall provide third party, peer, and quality assurance reviews of design deliverables and construction documents.
2. The Contractor shall provide management and administration of professional services and/or design build construction contracts.
3. The Contractor shall provide design oversight and monitor design progress and deliverables and recommend corrective action when required.
4. The Contractor shall assist in the development of project design standards.
5. The Contractor shall support the Commission's Public Information and Community Outreach program with suitable documentation in a variety of media.
6. The Contractor shall provide as-needed conceptual or schematic design services in support of the T3-BAE and associated projects as directed by the Commission.

E. CONSTRUCTION MANAGEMENT SERVICES

1. The Contractor shall review construction documents for constructability, impact to Airport operations, and consistency with the project schedule.
2. The Contractor shall review construction work plans.
3. The Contractor shall oversee the trade subcontract procurement process.
4. The Contractor shall evaluate trade subcontract bids and/or cost proposals.
5. The Contractor shall review and/or prepare construction quality assurance/quality control plans.
6. The Contractor shall provide technical, full-time, 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.)

7. The Contractor shall monitor environmental inspection for design-builder's compliance with environmental regulations.
8. The Contractor shall examine materials and equipment being incorporated into the work to verify that they are handled, stored, and installed properly.
9. The Contractor shall coordinate or procure the services of testing laboratories to assure that the proper number and type of tests are being performed in a timely manner.
10. The Contractor shall prepare inspection and engineer's reports for submission to the Commission.
11. The Contractor shall manage 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.
12. The Contractor shall 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 project.
13. The Contractor shall maintain a log of any requests for information and shall prepare the Commission's non-technical responses.
14. The Contractor shall review progress pay requests for accuracy and recommend approval.
15. The Contractor shall review design build contractor reports, as-built drawings, and other construction documentation and ensure information is captured in the Commission's record keeping system.
16. The Contractor shall attend job site meetings and prepare meeting minutes. Review and communicate information presented to the Airport Project Manager and all attendees.
17. The Contractor shall monitor compliance by all Airport contractors on this project of all contract terms and conditions including, but not limited to, HRC requirements, certified payroll requirements, labor standards, drug policy, security requirements, site cleanliness, and safety.
18. The Contractor shall administer the evaluation and negotiation of change orders and prepare and process change orders and contract modifications.
19. The Contractor shall 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 project.

20. The Contractor shall perform project closeout activities.
21. The Contractor shall support dispute and/or claim resolution analysis and reconciliation efforts.

TASK 2: ADMINISTRATIVE CONSTRUCTION MANAGEMENT SERVICES FOR WORK ASSOCIATED WITH THE TERMINAL 3 IMPROVEMENTS PROGRAM.

All Task 2 activities shall be shared between and in collaboration with the Contract 8974.9 Contractor and the Contract 9048.9 Contractor for the Terminal 3 Improvements Program ("the Contractors"), as agreed to between the parties. The scope of work may include the following:

A. PROJECT CONTROLS AND REPORTING

1. The Contractors shall provide a comprehensive project control system capable of providing all of the tools to successfully control and report on the entire Terminal 3 (T3) Improvements Program associated with this agreement. The Contractors shall recommend a format to use for deliverables by all T3 Improvements Program participants and shall adjust the format to meet the requirements of the Commission. The project control system shall be compatible with MS Word, MS Excel, MS Project, Primavera, AutoCAD and Revit.
2. The Contractors shall provide all T3 Program deliverables and reports in electronic format; accompanied by multiple hard-copies and color duplicates as directed by the Airport's Project Manager.
3. The Contractors shall track and store T3 Program information such as: correspondence, requests for information/clarification, design review comments, budget, cost, cost estimates and schedule and other pertinent T3 Program data in an electronic project management system.
4. The Contractors shall provide the following Project deliverables during all phases of the T3 Program:
 - a. Monthly Cost Reports:
 - 1) The Contractors shall prepare a comprehensive T3 Program monthly cost and budget report which includes:
 - a) All T3 Program costs and earned value estimates including costs and payments to design build contractors and subcontractors and all professional service contractors associated with the T3 Program.
 - b) All T3 Program expenditures incurred by Commission staff and all project participants.
 - c) Monthly cash flow and trend reports for the entire T3 Program and any additional reports as may be requested by the Commission.

- 2) The Contractors shall anticipate and report all potential T3 Program issues, and provide cost recovery recommendations on a monthly basis.

b. Monthly Schedule Reports:

Updated Schedule: The Contractors shall monitor T3 Program progress in relationship to all existing T3 Project baseline schedules. The Contractors shall prepare detailed monthly T3 Program schedule reports and schedule trend reports. The Contractors shall provide T3 Program schedule recovery recommendations on a monthly basis and anticipated schedule phases. The Contractors shall use MS Project or Primavera formats.

c. Monthly T3 Program Progress Reports:

- 1) The Contractors shall prepare monthly T3 Program progress reports in a variety of forms so that varying levels of details are communicated to different management levels within the Commission organization as well as to the Public. The Contractors shall provide T3 Program reports monthly, quarterly, annually, or at other frequency to be determined by the Commission.
- 2) The Contractors shall collect T3 Program data from information (scope, schedule and budget information) provided by Commission staff, design build contractors and subcontractors and outside agencies; and shall compile, and present the information in a comprehensive format.

B. PROJECT SCHEDULING SERVICES

1. The Contractors shall compile and validate all T3 Program schedules from all Airport designers, contractors, and design builders, as well as external agencies.
2. The Contractors shall generate T3 Program schedules for all phases of each T3 Project.
3. The Contractors shall develop, review, and monitor all T3 Program schedules at various levels appropriate to the required management level during all T3 Program phases.
4. The Contractors shall identify and analyze dependencies, controls, and interfaces between all T3 Program Projects with other airport operational activities, and/or with external projects. The Contractors shall perform alternative analysis project sequence to optimize T3 Program implementation.
5. The Contractors shall review and monitor all T3 Program construction schedules and coordinate schedules with other Airport Projects.
6. The Contractors shall provide T3 Program schedule reporting and analysis services at the appropriate management level.
7. The Contractors shall coordinate and monitor the Contract 9048.A project schedule with the Contract 8974.B schedule and provide an analysis report to the Airport Project Manager.

C. PROJECT BUDGET SERVICES

The Contractors shall support the Commission's financial analyses of the entire T3 Program by:

1. Preparing and reviewing all T3 Program hard and soft cost budget estimates resulting in the establishment of a T3 Program baseline budget.
2. Preparing and reviewing life cycle costs including operations and maintenance costs for the entire T3 Program.
3. Reviewing cost benefit analysis and preparing a summary report for the entire T3 Program.
4. Conducting analysis of financial consequences of design alternatives, alternatives resulting from value engineering reviews of design and construction techniques, and costs due to site and schedule constraints for the entire T3 Program.
5. Providing project level cost and trend management services for the entire T3 Program.
6. Providing a wide range of cost estimates, including pre-construction, concept, budgetary, design, construction and engineer's estimates.
7. Establish a T3 Program cost management system in alignment with, and supportive of, the City and County of San Francisco's budgeting and accounting requirements and systems.
8. Establish, review and support management for appropriate budgetary contingencies and review project risks.
9. Provide budget and funding report services, documenting sources of funds and cash flow projections for the entire T3 Program.
10. Develop and maintain procedures to forecast all T3 Program costs and advise the Airport on corrective actions if budget forecast are to be exceeded.

C. DOCUMENT CONTROL SERVICES

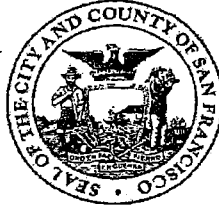
1. The Contractors shall maintain files of all project documentation in an integrated, accessible electronic format with a hard copy stored in a retrievable system.
2. The Contractors shall maintain status logs of project documents such as design activities and status, requests for information, submittals and substitution requests.
3. The Contractors shall assess current computerized document control/reporting systems and recommend upgrades or replacement to support the T3 Program and all associated Projects.
4. The Contractors shall develop and maintain systems for the efficient distribution of project documents to design build contractors, outside agencies, City departments, and other stakeholders as directed.

D. PROJECT COORDINATION

1. The Contractors shall assist Commission staff with T3 Program coordination and development efforts with Airport operations, airlines, agencies and other stakeholders, as required and directed by the Commission.
2. The Contractors shall assist with the establishment, implementation, and modification of project administrative procedures, including contract preparation.
3. The Contractors shall implement and support an Action Item system to track key project activities.
4. The Contractors shall coordinate and document stakeholder programming and design review input.
5. The Contractors shall assist Commission staff with identifying and coordinating Airport and tenant utility infrastructure documentation.
6. The Contractors shall assist Commission staff with TSA security systems and equipment coordination.
7. The Contractors shall assist Commission staff with maintaining active terminal operations, phasing, protection, environmental issues, off-hours work, utility cutovers and associated activities.
8. The Contractors shall review design builder construction documents for constructability, impact to Airport operations, and consistency with all T3 Program schedules. The Contractors shall provide review comments and/or recommendations to the Airport Project Manager.
9. The Contractors shall review proposed T3 Program construction work plans and provide recommendations to the Airport.
10. The Contractors shall examine materials and equipment being incorporated into the work to verify that they are handled, stored, and installed properly.
11. The Contractors shall coordinate environmental inspection for design build contractor's compliance with environmental regulations.
12. The Contractors shall provide all testing and special inspections and materials testing as required by the California Building Code and engineer's reports for submission to the Commission. The Airport Project Manager will judge the acceptability of all testing and inspection means, methods, results and reports performed on behalf of the Contractors. The Airport building official has the authority to require additional testing based on final code requirements and interpretation.
13. The Contractors shall provide successful oversight and coordination of the T3 Program and prepare meeting notes. The Contractors shall review and communicate information presented to Airport Managers and all attendees.

- END OF APPENDIX A.1 -

APPENDIX B.1
CALCULATION OF CHARGES



APPENDIX B.1
CALCULATION OF CHARGES

Appendix B is replaced in its entirety with this Appendix B.1 which is attached to, and incorporated by reference in the Agreement made on August 3, 2010 between the City and County of San Francisco, acting by and through its Airport Commission (Commission), and **PGH Wong Engineering, Inc.** (Contractor) providing for construction management services for Terminal 3/Boarding Area E Refurbishment Project.

A. GENERAL

1. For the complete and satisfactory performance of the services detailed in Appendix A.1 of this Agreement, the City will pay fees and expenses not-to-exceed **Five Million, Two Hundred Twenty-Three Thousand Dollars (\$5,223,000)** and is broken down as follows: labor of \$4,588,043.35; other direct cost (ODC) allowance of \$184,956.65; and material testing allowance of \$450,000.00. This amount is for the purpose of establishing a budget figure for certification by the Controller only. The total compensation to be paid shall not exceed that amount unless increased by an appropriate amendment to this Agreement.
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.
3. Compensation for work performed under this Agreement will be on a cost-plus-fixed fee payment basis or a fixed lump-sum payment basis, or some combination thereof. Such compensation 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).

B. METHOD OF PAYMENT

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. As used herein, the term "invoice" shall include the Contractor's bill or written request for payment under this Agreement for services performed. All invoices shall be made in writing.
2. Unless approved otherwise by the Airport Project Manager, the Contractor shall, within three (3) days after receipt of payment by the Airport specified in this Agreement pay to all of its immediate subconsultants (or their respective assignees) the amounts to which they are entitled, after deducting any prior payments and any amounts due and payable to the Contractor by those subconsultants.

3. The Contractor shall invoice for the Work performed in conformance with procedures approved by the Commission and the then current rate agreement.
 - a. Such invoices shall segregate current costs from previously invoiced costs.
 - b. Costs for individual labor shall be segregated by task and subtasks, if any.
 - c. Notwithstanding the above, in no case shall the Contractor invoice include costs which Airport has disallowed or otherwise indicated that it will not recognize.
4. Such invoices shall be as a minimum, (i) mechanically accurate, (ii) substantially vouchered and properly supported and (iii) in compliance with Contractor's and subcontractor's generally accepted accounting principles
5. 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 current Agreement.
6. The fixed fee for the Contractor or any of its subcontractors shall be billed monthly on all direct labor and indirect costs for services provided in the current invoice at the percentage described in paragraph E below.
7. The Airport's Project Manager 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 Airport shall provide notice of withholding, and may continue the withholding until the Contractor has provided evidence of compliance which is acceptable to the Airport.
8. All invoices shall be made in writing and delivered or mailed to the Airport as follows:

By US mail: **Judi Mosqueda, Project Manager**
San Francisco International Airport
Design and Construction Division (Contract 8974.9)
P.O. Box 8097
San Francisco, CA 94128

By Personal Delivery
Or Express Mail: **Judi Mosqueda, Project Manager**
San Francisco International Airport
Singapore/Airport Commission Building
Design and Construction Division (Contract 8974.9)
710 N. McDonnell Road, 2nd Floor
San Francisco, CA 94128

C. DIRECT SALARY RATE AND DIRECT SALARY RATE ADJUSTMENT

1. The direct labor rate shall not exceed **Ninety-three Dollars (\$93)** per hour. Any rate in excess of this cap will require prior written approval from the Airport's Project Manager.
2. 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. Signed time cards shall be provided showing all assigned projects and the shared calculation.
3. The direct labor rates agreed upon at the effective date of this Amendment shall remain effective until June 30, 2013. At least thirty (30) calendar days prior to the expiration date stated in this paragraph C.3, the Contractor may submit to the Airport Project Manager any request for direct labor rate increases for consideration. The submission of a proposed direct labor rate increase by the Contractor does not constitute an agreement by the Commission that any proposed rate increase will be accepted by the Commission.

D. BILLING RATES

1. Billing rates shall be used for reimbursement of the cost portion of this cost plus fixed fee Agreement. Billing rates shall be the sum of direct salary rates plus indirect cost. Indirect cost rates for **PGH Wong Engineering, Inc.** shall be **150% for home office personnel and 128% for field office personnel**; for **Dabri, Inc.** shall be **88.69%**; for **The Hanna Group** shall be **151.50%**; for **Kleinfelder** shall be **155%**; and for **Apex Testing Laboratories, Inc.** shall be **155%**. These billing rates are fixed and are not subject to audit by the Commission. Billing rates may be adjusted on July 1st of each year when the direct labor rates are adjusted as stated in section C.3 above. The Commission will not allow indirect cost rates above one hundred fifty-five percent (155%).
2. Whenever possible, billing rates shall be established for home office work using a home office indirect cost rate and field office work using a field office indirect cost rate. 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 also provide normal office equipment and materials for field office staff such as computers, printers, internet access, phone service, fax, copier, and other office materials such as paper, pens, pencils, etc.

E. FIXED FEE

The fixed Fee for Contractor's work effort, including any subconsultant work at any tier, shall be ten percent (10%) of estimated direct labor and indirect costs of the Contractor and any subconsultants at any tier. There shall be no additional fixed fee markup on the work of first and lower tier subconsultants.

F. OTHER DIRECT COST

1. All travel expenses and cost for vehicle rentals, contractor meals, and per diem into or outside the San Francisco Bay Area shall be subject to prior written approval by SFO. No administration charge may be added to the amount to be reimbursed as other direct costs. No reimbursement shall be provided for faxing documents. No mileage reimbursement shall be provided for automobile trips within the San Francisco Bay Area (less than fifty (50) miles from SFO). No reimbursement shall be provided for contractor meals, accommodations, long distance, and cellular telephone charges within the San Francisco Bay Area (less than fifty (50) miles from

SFO). Specialists, Project Executives, and others that are based out of town, who are not assigned to the jobsite office, must have prior written approval by SFO in order to be reimbursed for salary costs and travel expenses. Regional (remote) executive's travel expenses to visit the local job office are not reimbursable. Part-time jobsite personnel who are shared with other out-of-town clients are not reimbursed for travel expenses.

2. Any ODC expenses in excess of \$500 shall be pre-approved by the Project Manager.

G. APPROVED HOURLY BASE RATES

CLASSIFICATION	RANGE OF RATES
Project Executive	\$80 - \$90
Administrative Construction Manager	\$70 - \$93
Construction Manager	\$70 - \$85
Resident Engineer	\$60 - \$75
Design Manager	\$55 - \$70
Design Review	\$50 - \$75
Assistant Resident Engineer	\$50 - \$70
Office Engineer	\$35 - \$55
Document Control	\$20 - \$40
Contract Administrator (First Source)	\$15 - \$25
Administrative Support (First Source)	\$15 - \$25
Sr. Project Controls	\$55 - \$70
Project Controls Support	\$25 - \$40
Sr. Scheduler	\$50 - \$70
Scheduler	\$40 - \$50
Sr. Estimator	\$55 - \$93
Estimator	\$40 - \$55
Field Coordinator	\$40 - \$55
Sr. Inspector	\$40 - \$60
Inspector	\$30 - \$45
Environmental Monitor	\$30 - \$45
Materials Testing & Special Inspection	\$35 - \$60

END OF APPENDIX B.1

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 12-0034

APPROVE MODIFICATION NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT, CONTRACT 8974.9, CONSTRUCTION MANAGEMENT SERVICES FOR THE TERMINAL 3, BOARDING AREA E REFURBISHMENT PROJECT, WITH PGH WONG ENGINEERING, INC., IN AN AMOUNT NOT TO EXCEED \$3,465,750, AND TO EXTEND THE DURATION OF CONTRACT 8974.9 TO JUNE 30, 2015.

WHEREAS, on August 3, 2010, by Resolution No. 10-0265, the Commission awarded the professional services agreement for Contract 8974.9, Construction Management Services for the Terminal 3, Boarding Area E Refurbishment Project to PGH Wong Engineering, Inc. (Consultant), in an amount not to exceed \$1,757,250 and with a duration of twenty-two months; and

WHEREAS, the estimated value of the construction to be managed by the Consultant was \$23,800,000; and

WHEREAS, Consultant has provided these services to the satisfaction of the Commission; and

WHEREAS, as a result of a "revised" project, which increased the scope of work to such an extent that it no longer represented the original design-build contract awarded to Hensel Phelps, thus the contract, through Commission Resolution No. 11-0162, dated July 19, 2011, was terminated for convenience; and

WHEREAS, by the same Resolution No. 11-0162, the Commission authorized Staff to issue a Request for Qualifications/Proposals for Design-Build Services for an expanded Terminal 3, Boarding Area E Improvements Project with an estimated construction value of \$100,000,000 to be managed by the Airport/Consultant team; and

WHEREAS, an increase in the amount and duration of Consultant services is necessary for the successful implementation of the expanded Terminal 3, Boarding Area E Improvements Project; and

WHEREAS, Staff and Consultant have reached an agreement on scope, staffing and fee, and the Airport proposes to increase the not-to-exceed amount by \$3,465,750, for a new contract amount not to exceed \$5,223,000 to provide services through June 30, 2015; now, therefore be it

RESOLVED, that the Commission authorizes Modification No. 1 to the professional services agreement, Contract 8974.9, Construction Management Services for the Terminal 3, Boarding Area E Refurbishment Project, with PGH Wong Engineering, Inc., in an amount not to exceed \$3,465,750, for a total contract amount not to exceed \$5,223,000, and to extend the duration of Contract 8974.9 to June 30, 2015.

I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of FEB 21 2012

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 13 0172

AUTHORIZE MODIFICATION NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT, CONTRACT NO. 8974.9, CONSTRUCTION MANAGEMENT SERVICES FOR THE TERMINAL 3, BOARDING AREA E REFURBISHMENT PROJECT, WITH PGH WONG ENGINEERING, INC., IN AN AMOUNT NOT TO EXCEED \$3,942,000 FOR ADMINISTRATIVE CONSTRUCTION MANAGEMENT SERVICES THROUGH JULY 2014, FOR A NEW CONTRACT AMOUNT NOT TO EXCEED \$9,165,000.

- WHEREAS, on August 3, 2010, by Resolution No. 10-0265, the Commission awarded the professional services agreement for Contract No. 8974.9 entitled, Construction Management Services for the Terminal 3, Boarding Area E Refurbishment Project to PGH Wong Engineering, Inc. (Consultant), in an amount not to exceed \$1,757,250 and with a duration of twenty-two months; and
- WHEREAS, the estimated value of the construction to be managed by the Consultant increased from \$23,800,000 to \$115,000,000. On February 21, 2012, by Resolution No. 12-0034, the Commission amended Contract No. 8974.9 for an amount not to exceed \$3,465,000 for the expanded scope of work and resulting increased staffing levels to provide the proper oversight of the larger project, and extended the duration of the Contract to June 30, 2015; and
- WHEREAS, on October 30, 2013, by Resolution No. 12-0230, the Commission awarded Design-Build Services for a second project under the Terminal 3 Improvements Program to the same design-builder, Hensel Phelps Construction Co., however, the construction management services contract for this second project was awarded to URS/ECS, a Joint Venture; and
- WHEREAS, Staff is recommending utilizing shared Administrative Construction Management (ACM) resources, from current Construction Management consultants, PGH Wong Engineering, Inc. and URS/ECS, a Joint Venture, under the Terminal 3 Improvements Program, to maintain consistency of report, coordinate the project, provide overall program oversight, and to realize cost savings; and
- WHEREAS, Staff and Consultant have reached an agreement on scope, staffing and fee for ACM services through July 2014, and the Airport proposes to increase the not-to-exceed amount of Contract No. 8974.9 by \$3,942,000 for ACM services through July 2014, for a new contract amount not to exceed \$9,165,000; now, therefore be it

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 13 0172

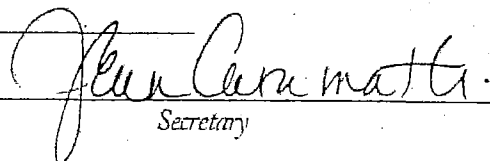
RESOLVED, that the Commission authorizes Staff to create an Administrative Construction Management Team utilizing resources from PGH Wong Engineering, Inc. and URS/ECS, a Joint Venture, who are the construction management service consultants for the on-going Terminal 3 Improvements Program projects: Terminal 3, Boarding Area E Refurbishment Project and the Terminal 3 East Improvements Project; and

RESOLVED, that the Commission authorizes Modification No. 2 to the professional services agreement, Contract No. 8974.9 entitled, Construction Management Services for the Terminal 3, Boarding Area E Refurbishment Project, with PGH Wong Engineering, Inc., in an amount not to exceed \$3,942,000 for Administrative Construction Management services through July 2014, for a total contract amount not to exceed \$9,165,000.

Page 2 of 2

I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of AUG 12 2013

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Secretary

**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

PGH Wong Engineering, Inc.

Contract No. 8974.9

This Agreement is made this 3rd day of August, 2010, in the City and County of San Francisco, State of California, by and between: **PGH Wong Engineering, Inc.** 182 – 2nd Street, Suite 500, San Francisco, CA 94105, hereinafter referred to as "Contractor," and the City and County of San Francisco, a municipal corporation, hereinafter referred to as "City," acting by and through its Airport Commission or the Commission's designated agent, hereinafter referred to as "**Commission.**"

Recitals

WHEREAS, Commission wishes to procure construction management services for Terminal 3, Boarding Area E Refurbishment Project at the San Francisco International Airport ("SFO" or the "Airport"); and,

WHEREAS, Commission is authorized to enter into all contracts which relate to matters under its jurisdiction; and

WHEREAS, a Request for Proposal ("RFP") was issued on **May 28, 2010**, and City selected Contractor as the highest qualified scorer pursuant to the RFP; and

WHEREAS, Commission awarded this contract to Contractor on **August 3, 2010**, pursuant to Resolution No. 10-0265; and

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by City as set forth under this Contract; and,

WHEREAS, approval for this Agreement was obtained when the Civil Service Commission approved Contract number 4106-09/10 on March 15, 2010;

Now, THEREFORE, the parties agree as follows:

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 hereunder 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.

2. **Term of the Agreement.** Subject to Section 1, the term of this Agreement shall be from August 23, 2010 to June 30, 2012.

3. **Effective Date of Agreement.** This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. **Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein. If Appendix A includes as-needed services, such services shall be requested by City through the issuance of a written task order signed by City and Contractor, which task order shall be made a part of and incorporated into the Agreement as though fully set forth herein without the need for a formal amendment to the Agreement. The task order shall include a description of the as-needed services, the deliverables, schedule for performance, cost, and method and timing of payment.

5. **Compensation.** Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Airport Director or designee, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed **One Million Seven Hundred Fifty-seven Thousand Two Hundred Fifty Dollars (1,757,250)**. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," and Appendix C, "Staffing Plan," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by Bureau of Design & Construction as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of HRC Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of HRC and Contractor of the omission. If Contractor's failure to provide HRC Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until HRC Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using HRC Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

6. **Guaranteed Maximum Costs.** The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional

amount by the Controller. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. Payment; Invoice Format. Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All amounts paid by City to Contractor shall be subject to audit by City. Payment shall be made by City to Contractor at the address specified in the section entitled "Notices to the Parties."

8. Submitting False Claims; Monetary Penalties. Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of §21.35, along with the entire San Francisco Administrative Code are available on the web at: <http://www.municode.com/Library/clientCodePage.aspx?clientID=4201>. A contractor, subcontractor or consultant 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.

9. Disallowance. No State of federal Funds Involved

10. Taxes. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor. Contractor recognizes and understands 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:

a. 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;

b. 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 accordingly 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.

c. 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., Revenue & Tax Code section 64, as amended from time to time). Contractor accordingly 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.

d. 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.

11. Payment Does Not Imply Acceptance of Work. The granting of any payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that does not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay.

12. Qualified Personnel. Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City's request, and must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

13. Responsibility for Equipment. City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by City.

14. Independent Contractor; Payment of Taxes and Other Expenses.

a. **Independent Contractor.** 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 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.

b. **Payment of 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, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in City's financial liability so that City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance.

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverage:

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

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

(3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(4) 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 professional services to be provided under this Agreement.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

(1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insured, 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.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty days' advance written notice to the City of reduction or nonrenewal of coverage or cancellation of coverage for any reason. Notices shall be sent to the City address in the "Notices to the Parties" section.

e. 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.

f. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

g. 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.

h. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverage set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

i. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

j. If a subcontractor will be used to complete any portion of this agreement, the Contractor shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents and employees and the Contractor listed as additional insured.

16. Indemnification. Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising 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 in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City. In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter. Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

17. 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. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

18. Liability of City. CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 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.

19. Liquidated Damages – Left Blank by Agreement of the Parties

20. Default; Remedies. Each of the following shall constitute an 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:

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|---------------------------------------|---|
| 8. Submitting False Claims | 10. Taxes |
| 15. Insurance | 24. Proprietary or Confidential Information of City |
| 30. Assignment | 37. Drug-free Workplace Policy, |
| 53. Compliance with Laws | 55. Supervision of Minors |
| 57. Protection of Private Information | 58. Graffiti Removal |

b. Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, 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.

e. 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, 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 all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement. 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.

21. Termination for Convenience

a. 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.

b. Upon receipt of the notice, 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:

(1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by City.

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.

(3) Terminating all existing orders and subcontracts.

(4) 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.

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

(6) Completing performance of any services or work that City designates to be completed prior to the date of termination specified by City.

(7) 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.

c. 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:

(1) The reasonable cost to Contractor, without profit, for all services and other work City directed Contractor to perform prior to the specified termination date, for which services or work 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 or other work. Any overhead

allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of City, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(3) 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.

(4) 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.

d. 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 the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on 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 such subsection (c).

e. In arriving at the amount due to Contractor under this Section, City may deduct: (i) all payments previously made by City for work or other 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 (d); and (iv) in instances in which, in the opinion of the City, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and City's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

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

22. Rights and Duties upon Termination or Expiration. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement:

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| 8. Submitting False Claims | 9. Disallowance |
| 10. Taxes | 11. Payment Does Not Imply Acceptance of Work |
| 13. Responsibility for Equipment | 14. Independent Contractor; Payment of Taxes and Other Expenses |
| 15. Insurance | 16. Indemnification |
| 17. Incidental and Consequential Damages | 18. Liability of City |
| 24. Proprietary or Confidential Information of City | 26. Ownership of Results |
| 27. Works for Hire | 28. Audit and Inspection of Records |
| 48. Modification of Agreement | 49. Administrative Remedy for Agreement Interpretation |
| 50. Agreement Made in California; Venue | 51. Construction |
| 52. Entire Agreement | 56. Severability |
| 57. Protection of private information | |

Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and 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. This subsection shall survive termination of this Agreement.

23. Conflict of Interest. Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

24. Proprietary or Confidential Information of City. Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of 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 data.

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

To City: **Judi Mosqueda**
 Project Manager
 San Francisco International Airport
 Bureau of Design & Construction
 P.O. Box 8097
 San Francisco, California 94128
 Email: judi.mosqueda@flysfo.com
 FAX: (650) 821-7799

To Contractor: **Peter G. H. Wong, P.E.**
 Project Executive
 PGH Wong Engineering, Inc.
 182 - 2nd Street, Suite 500
 San Francisco, California 94105-3801
 Email: pwong@pghwong.com
 Telephone: (415) 566-0800
 FAX: (415) 566-6030

Any notice of default must be sent by registered mail.

26. Ownership of Results. Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or

other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. Works for Hire. If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, 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 are the property of the City. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the City, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

28. 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 work under this Agreement. 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 less 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 conferred upon City by this Section.

29. Subcontracting. Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

30. Assignment. The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by City by written instrument executed and approved in the same manner as this Agreement.

31. 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 thereafter.

32. Earned Income Credit (EIC) Forms. Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement. Failure to comply with any requirement contained in Administrative Code section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty

days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

33. Local Business Enterprise Utilization; Liquidated Damages

a. The LBE Ordinance. Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. Compliance and Enforcement

(1) Enforcement. If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17.

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City.

Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

(2) **Subcontracting Goals.** The LBE subcontracting participation goal for this contract is 18 %. Contractor shall fulfill the subcontracting commitment made in its bid or proposal. Each invoice submitted to City for payment shall include the information required in the HRC Progress Payment Form and the HRC Payment Affidavit. Failure to provide the HRC Progress Payment Form and the HRC Payment Affidavit with each invoice submitted by Contractor shall entitle City to withhold 20% of the amount of that invoice until the HRC Payment Form and the HRC Subcontractor Payment Affidavit are provided by Contractor. Contractor shall not participate in any back contracting to the Contractor or lower-tier subcontractors, as defined in the LBE Ordinance, for any purpose inconsistent with the provisions of the LBE Ordinance, its implementing rules and regulations, or this Section.

(3) **Subcontract Language Requirements.** Contractor shall incorporate the LBE Ordinance into each subcontract made in the fulfillment of Contractor's obligations under this Agreement and require each subcontractor to agree and comply with provisions of the ordinance applicable to subcontractors. Contractor shall include in all subcontracts with LBEs made in fulfillment of Contractor's obligations under this Agreement, a provision requiring Contractor to compensate any LBE subcontractor for damages for breach of contract or liquidated damages equal to 5% of the subcontract amount, whichever is greater, if Contractor does not fulfill its commitment to use the LBE subcontractor as specified in the bid or proposal, unless Contractor received advance approval from the Director of HRC and contract awarding authority to substitute subcontractors or to otherwise modify the commitments in the bid or proposal. Such provisions shall also state that it is enforceable in a court of competent jurisdiction. Subcontracts shall require the subcontractor to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination of this contract and to make such records available for audit and inspection by the Director of HRC or the Controller upon request.

(4) **Payment of Subcontractors.** Contractor shall pay its subcontractors within three working days after receiving payment from the City unless Contractor notifies the Director of HRC in writing within ten working days prior to receiving payment from the City that there is a bona fide dispute between Contractor and its subcontractor and the Director waives the three-day payment requirement, in which case Contractor may withhold the disputed amount but shall pay the undisputed amount. Contractor further agrees, within ten working days following receipt of payment from the City, to file the HRC Payment Affidavit with the Controller, under penalty of perjury, that the Contractor has paid all subcontractors. The affidavit shall provide the names and addresses of all subcontractors and the amount paid to each. Failure to provide such affidavit may subject Contractor to enforcement procedure under Administrative Code §14B.17.

34. Nondiscrimination; Penalties

a. **Contractor Shall Not Discriminate.** In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. **Subcontracts.** Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are

available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. Nondiscrimination in Benefits. 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 bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. Condition to Contract. As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

35. MacBride Principles—Northern Ireland. Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

36. Tropical Hardwood and Virgin Redwood Ban. Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

37. Drug-Free Workplace Policy. Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation. Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

39. Compliance with Americans with Disabilities Act. Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agree that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance. In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

41. Public Access to Meetings and Records. If the Contractor receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

42. Limitations on Contributions. Through execution of 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 (i) 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, (ii) a candidate for the office held by such individual, or (iii) 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. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that 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. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

43. Requiring Minimum Compensation for Covered Employees.

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

f. Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days,

Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.

44. Requiring Health Benefits for Covered Employees. Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

45. First Source Hiring Program

a. **Application of Administrative Code Provisions.** The provisions of Chapter 83 of the San Francisco Administrative Code apply to Agreement. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. **First Source Hiring Agreement.** As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs may be certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. **Hiring Decisions.** Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. **Exceptions.** Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. **Liquidated Damages.** Contractor agrees:

(1) To be liable to the City for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their

counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year; therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. Subcontracts. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

46. Prohibition on Political Activity with City Funds. In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

47. Preservative-treated Wood Containing Arsenic. Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

48. Modification of Agreement. This Agreement may not be modified, nor may compliance with any of its terms be waived, 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 HRC 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% (HRC Contract Modification Form).

49. Administrative Remedy for Agreement Interpretation. Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

50. 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.

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

52. Entire Agreement. This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48, "Modification of Agreement."

53. Compliance with Laws. Contractor shall keep itself fully informed of the City's Charter, codes, ordinances 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.

54. Services Provided by Attorneys. Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

55. Supervision of Minors: Left Blank by Agreement of the Parties – Contract Does Not Involve Supervision of Minors.

56. 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 (i) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (ii) 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.

57. Protection of Private Information. Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

58. Graffiti Removal. Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target

of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti. Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (i) discovery or notification of the graffiti or (ii) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (iii) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (iv) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

59. Food Service Waste Reduction Requirements. Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

60. Slavery Era Disclosure: Left Blank by Agreement of the Parties – Contract Not for Insurance or Applicable Financial Services or Textiles.

61. Cooperative Drafting. This Agreement has been drafted through a cooperative effort of both parties, 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.

62. Dispute Resolution Procedure: Left Blank by Agreement of the Parties – Contract Not with Health or Human Services Nonprofit.

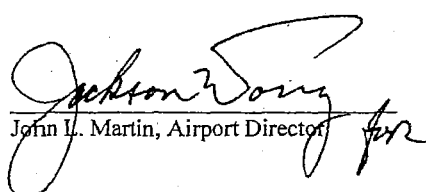
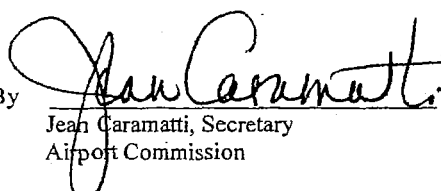
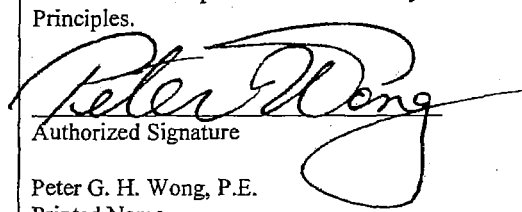
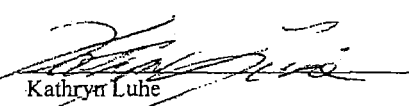
63. Airport Intellectual Property

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.

64. Labor Peace / Card Check Rule

Without limiting the generality of other provisions herein 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/Care Check Rule, Contractor shall, among other actions: (i) Enter into a Labor Peace/Care 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/Care Check Rule Agreement has been requested; (ii) 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; (iii) 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 (iv) 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.

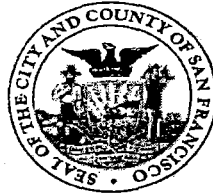
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

CITY AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	CONTRACTOR
By:  John L. Martin, Airport Director	By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.
Attest:	I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.
By:  Jean Caramatti, Secretary Airport Commission	 Authorized Signature
Resolution No: 10-0265	Peter G. H. Wong, P.E. Printed Name
Adopted on: August 3, 2010	Project Executive Title
Approved as to Form:	PGH Wong Engineering, Inc. Company Name
Dennis J. Herrera City Attorney	14532 City Vendor Number
By:  Kathryn Luhe Deputy City Attorney	182 - 2 nd Street, Suite 500 Address
	San Francisco, CA 94105-3801 City, State, ZIP
	(415) 566-0800 Telephone Number
	<u>94-2987905</u> Federal Employer ID Number

Appendices

- A: Services to be provided by Contractor
- B: Calculation of Charges
- C: Staffing Plan 2010 through 2012

APPENDIX A
SERVICES TO BE PROVIDED BY CONSULTANT

**APPENDIX A****Services to be provided by Consultant**

Provide all labor, material, equipment and supplies to perform construction management services for Terminal 3, Boarding Area E Refurbishment Project. The following tasks are included in the Scope of Services to be performed under this contract. This list of tasks is to be used as a general guide and is not intended to be a complete list of all tasks that could be assigned to the Consultant.

A. PROJECT CONTROLS AND REPORTING

1. The Consultant shall provide a comprehensive project control system that has been successfully deployed within the last two years of the issuance of Notice to Proceed. The project controls and reporting system shall be capable of complying with the reporting requirements mandated for federally funded projects, if required. The Consultant shall recommend a format to use for deliverables and shall adjust the format to meet the requirements of the Commission.
2. Current software in use by the Commission includes MS Word, Excel, MS Project, and Primavera and AutoCAD and Revit. All deliverables and reports shall be in electronic format compatible with the Commission's current software applications, and must be accompanied by multiple (quantity determined by the Commission) hard copy color duplicates, unless alternatives are proposed and accepted for use by the Commission. Furthermore, the Consultant must recommend a method whereby the Airport design or construction contractors or design/build contractors will have a system for uniformly exchanging information such as that related to budget, costs, cost estimates and schedule, and would be common to all participants. The results of such a system must discourage duplication of effort in entering data, enhance consistency and accuracy in transferring and reporting data and information, and rapidly transmit data and information.
3. The following Project deliverables shall be provided during all phases of the Project:
 - a. Monthly Cost and Budget Reports shall include information on the following at a minimum:
 - (1) Monitor and report on project costs and earned value estimates, including costs and payments to consultants and contractors
 - (2) Monitor and report on expenditures incurred by Commission staff and all project participants
 - (3) Prepare monthly cash flow and trend report and additional reports as may be requested by the Commission

- (4) Anticipate and report all potential project issues. Provide cost recovery recommendations on a monthly basis.

b. Monthly Schedule Reports

Updated Schedule: Monitor progress in relationship to the existing baseline schedules. Prepare detailed monthly schedule reports and schedule trend reports. Provide schedule recovery recommendations on a monthly basis.

c. Monthly Progress Reports

- (1) Prepare monthly project progress reports: Reports shall be developed to the appropriate level suitable for distribution to different management levels within the Commission organization as well as the Public. Provide reports monthly, quarterly, annually, or at other frequency to be determined by the Commission.
- (2) Collect data from information (scope, schedule and budget information) provided by Commission staff, other consultants, the design-build contractor, the BHS and PBB design and integration contractor and outside agencies and compile, and present the information in a comprehensive format.

d. Construction Manager's Monthly Report

The Consultant will submit a written monthly report to the Commission on services provided to the Commission under this Agreement. The Consultant will report on its progress and any problems in performing the Work of which the Consultant becomes aware.

B. PROJECT SCHEDULING SERVICES

1. The Consultant shall compile and validate project schedules from all Airport designers, contractors, and/or design-builders, as well as external agencies.
2. The Consultant shall generate project schedules as requested.
3. The Consultant shall develop, review, and monitor project schedules at various levels appropriate to the required management level during all Project phases.
4. The Consultant shall identify and analyze dependencies, controls, and interfaces between projects, with other airport operational activities, and/or with external projects. Perform alternative analysis project sequence to optimize project implementation.
5. The Consultant shall review and monitor construction schedules and coordinate schedules with other Airport Projects.
6. The Consultant shall provide schedule reporting and analysis services at the appropriate management level.

C. PROJECT BUDGET SERVICES

The Consultant will be required to support the Commission's financial analyses by:

1. Preparation and review of project hard and soft cost budget estimates resulting in the establishment of a project baseline budget.
2. Preparation and review of life cycle costs including operations and maintenance costs.
3. Review of cost benefit analysis.
4. Conduct analysis of financial consequences of design alternatives, alternatives resulting from value engineering reviews of design and construction techniques, and costs due to site and schedule constraints.
5. The Consultant shall provide project level cost and trend management services.
6. The Consultant shall provide a wide range of cost estimates, including concept, budgetary, design, construction, and engineer's estimates.
7. The Consultant shall establish a cost management system in alignment with, and supportive of, the City and County of San Francisco's budgeting and accounting requirements and systems.
8. The Consultant shall establish, review, and support management of appropriate budgetary contingencies and review project risks.
9. The Consultant shall provide budget and funding report services, documenting sources of funds and cash flow projections for the project.
10. The Consultant shall develop and maintain procedures to forecast project costs and advise the Commission on corrective actions if budgets are forecast to be exceeded.
11. The Consultant shall assist Commission staff in the development of funding sources such as the preparation of FAA Airport Improvement Project ("AIP") and Passenger Facility Charge ("PFC") grant applications.

D. DOCUMENT CONTROL SERVICES

1. The Consultant shall maintain files of all project documentation in an integrated, accessible electronic format with a hard copy stored in a retrievable system.
2. The Consultant shall maintain status logs of project documents such as: design activities and status, requests for information, submittals, substitution requests, etc.
3. The Consultant shall assess current computerized document control/reporting systems and recommend upgrades or replacement to support the T3-BAE Project and all associated Projects.

4. The Consultant shall develop and maintain systems for the efficient distribution of project documents to contractors, consultants, agencies, City departments, and other stakeholders as directed.

E. PROJECT COORDINATION

1. The Consultant shall assist Commission staff with project coordination and development efforts with Airport operations, airlines, agencies and other stakeholders, as required and directed by the Commission
2. The Consultant shall assist with the establishment, implementation, and modification of project administrative procedures.
3. The Consultant shall implement and support an Action Item system to track key project activities.

F. PROJECT PLANNING

1. The Consultant shall assist with planning and programming studies, which may include special engineering studies and reports such as seismic analysis, facility condition assessments, geotechnical/hazmat investigations, etc.
2. The Consultant shall assist with pre-design and/or pre-construction activities, similar to those listed above.

G. DESIGN MANAGEMENT SERVICES

1. The Consultant shall provide third party, peer; and quality assurance reviews of design deliverables and construction documents.
2. The Consultant shall provide management and administration of professional services and/or construction contracts (including any design-build contracts).
3. The Consultant shall provide design oversight and monitor design progress and deliverables and recommend corrective action when required.
4. The Consultant shall assist in the development of project design standards.
5. The Consultant shall support the Commission's Public Information and Community Outreach program with suitable documentation in a variety of media.
6. The Consultant shall provide as-needed conceptual or schematic design services in support of the T3-BAE and associated projects as directed by the Commission.

H. CONSTRUCTION MANAGEMENT SERVICES

1. The Consultant shall review construction documents for constructability, impact to Airport operations, and consistency with the project schedule.
2. The Consultant shall review construction work plans.

3. The Consultant shall oversee the trade subcontract procurement process.
4. The Consultant shall evaluate trade subcontract bids and/or cost proposals.
5. The Consultant shall review and/or prepare construction quality assurance/quality control plans.
6. The Consultant shall provide technical, full-time, on-site observation and inspection of the progress and quality of the construction work. (Note: During the construction phase, the Consultant 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.)
7. The Consultant shall monitor environmental inspection for contractor's compliance with environmental regulations.
8. The Consultant shall examine materials and equipment being incorporated into the work to verify that they are handled, stored, and installed properly.
9. The Consultant shall coordinate or procure the services of testing laboratories to assure that the proper number and type of tests are being performed in a timely manner.
10. The Consultant shall prepare inspection and engineer's reports for submission to the Commission.
11. The Consultant shall manage the submission of samples, shop drawings, Operation & Maintenance (O&M) manuals, and other submittals between contractors and the Commission. The Consultant shall maintain a log of all submittals.
12. The Consultant shall 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 project.
13. The Consultant shall maintain a log of any requests for information and shall prepare the Commission's non-technical responses.
14. The Consultant shall review progress pay requests for accuracy and recommend approval.
15. The Consultant shall review contractor reports, as-built drawings, and other construction documentation and ensure information is captured in the Commission's record keeping system.
16. The Consultant shall attend job site meetings and prepare meeting minutes. Review and communicate information presented to the Airport Project Manager and all attendees.
17. The Consultant shall monitor compliance by all Airport contractors on this project of all contract terms and conditions including, but not limited to, HRC requirements, certified payroll requirements, labor standards, drug policy, security requirements, site cleanliness, and safety.

18. The Consultant shall administer the evaluation and negotiation of change orders and prepare and process change orders and contract modifications.
19. The Consultant shall 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 project.
20. The Consultant shall perform project closeout activities.
21. The Consultant shall support dispute and/or claim resolution analysis and reconciliation efforts.

- END OF APPENDIX A -

APPENDIX B
CALCULATION OF CHARGES



Appendix B Calculation of Charges

This is an Appendix attached to, and incorporated by reference in the Agreement made on August 3, 2010 between the City and County of San Francisco, acting by and through its Airport Commission (Commission), and PGH Wong Engineering, Inc. (Consultant) providing for construction management services for Terminal 3 / Boarding Area E Refurbishment Project.

A. General

1. For the complete and satisfactory performance of the services detailed in Appendix A of this Agreement, the City will pay fees and expenses not-to-exceed **One Million Seven Hundred Fifty-seven Thousand Two Hundred Fifty Dollars (\$1,757,250)** and is broken down as follows: labor of \$1,622,293.35; other direct cost (ODC) allowance of \$34,956.65; and material testing allowance of \$100,000. This amount is for the purpose of establishing a budget figure for certification by the Controller only. The total compensation to be paid shall not exceed that amount unless increased by an appropriate amendment to this Agreement.
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.
3. Compensation for work performed under this Agreement will be on a cost-plus-a-fixed fee payment basis or a fixed lump-sum payment basis, or some combination thereof. Such compensation 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).

B. Method of Payment

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 Project Manager. As used herein, the term "invoice" shall include the Contractor's bill or written request for payment under this Agreement for services performed. All invoices shall be made in writing.
2. Unless approved otherwise by the Commission's Project Manager, the Contractor shall, within three (3) days after receipt of payment by the Airport specified in this Agreement pay to all of its immediate subconsultants (or their respective assignees) the amounts to which they are entitled, after deducting any prior payments and any amounts due and payable to the Contractor by those subconsultants.

3. The Contractor shall invoice for the Work performed in conformance with procedures approved by the Commission and the then current rate agreement.
 - a. Such invoices shall segregate current costs from previously invoiced costs.
 - b. Costs for individual labor shall be segregated by task and subtasks, if any.
 - c. Notwithstanding the above, in no case shall the Contractor invoice include costs which Airport has disallowed or otherwise indicated that it will not recognize.
4. Such invoices shall be as a minimum, (i) mechanically accurate, (ii) substantially vouchered and properly supported and (iii) in compliance with Contractor's and subconsultants' generally accepted accounting principles
5. The Contractor shall also certify, for each invoice, that (i) the hourly rates for direct labor, whether for Contractor or its subconsultant(s), to be reimbursed under this Agreement are not in excess of the actual hourly rates in effect for the Contractor or subconsultant 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.
6. The fixed fee for the Contractor or any of its subconsultants shall be billed monthly on all direct labor and indirect costs for services provided in the current invoice at the percentage described in paragraph E below.
7. The Commission's Project Manager 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 Airport shall provide notice of withholding, and may continue the withholding until the Contractor has provided evidence of compliance which is acceptable to the Airport.
8. All invoices shall be made in writing and delivered or mailed to the Airport as follows:

By US mail: **Judi Mosqueda, Project Manager**
San Francisco International Airport
Bureau of Design and Construction (Contract 8974.9)
P.O. Box 8097
San Francisco, CA 94128

By Personal Delivery
or Express Mail: **Judi Mosqueda, Project Manager**
San Francisco International Airport
Delta/Singapore Building
Bureau of Design and Construction (Contract 8974.9)
710 N. McDonnell Road, 2nd Floor
San Francisco, CA 94128

C. Direct Salary Rate and Direct Salary Rate Adjustment

1. The direct labor rate shall not exceed **Ninety-three Dollars (\$93)** per hour. Any rate in excess of this cap will require prior written approval from the Commission's Project Manager.
2. 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. Signed time cards shall be provided showing all assigned projects and the shared calculation.
3. The direct labor rates agreed upon at the effective date of this Agreement shall remain effective until June 30, 2011. The Airport may allow a yearly adjustment to direct hourly labor rates on July 1st, based on an increase, if any, in the cost of living index for the preceding twelve (12) months for the San Francisco Bay Area as reported by the U.S. Department of Labor.

D. Billing Rates

1. Billing rates shall be used for reimbursement of the cost portion of this cost plus fixed fee Agreement. Billing rates shall be the sum of direct salary rates plus indirect cost. Indirect cost rates for **PGH Wong Engineering, Inc.** shall be **150% for home office personnel and 128% for field office personnel**; for **Dabri, Inc.** shall be **88.69%**; for **The Hanna Group** shall be **151.50%**; for **Kleinfelder** shall be **155%**; and for **Apex Testing Laboratories, Inc.** shall be **155%**. These billing rates are fixed and are not subject to audit by the Commission. Billing rates may be adjusted on July 1st of each year when the direct labor rates are adjusted as stated in section C.3 above. The Commission will not allow indirect cost rates above one hundred fifty-five percent (155%).
2. Whenever possible, billing rates shall be established for home office work using a home office indirect cost rate and field office work using a field office indirect cost rate. 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 also provide normal office equipment and materials for field office staff such as computers, printers, internet access, phone service, fax, copier, and other office materials such as paper, pens, pencils, etc.

E. Fixed Fee

The fixed Fee for Contractor's work effort, including any subconsultant work at any tier, shall be ten percent (10%) of estimated direct labor and indirect costs of the Contractor and any subconsultants at any tier. There shall be no additional fixed fee markup on the work of first and lower tier subconsultants.

F. Other Direct Cost

1. All travel expenses and cost for vehicle rentals, contractor meals, and per diem into or outside the San Francisco Bay Area shall be subject to prior written approval by SFO. No administration charge may be added to the amount to be reimbursed as other direct costs. No reimbursement shall be provided for faxing documents. No mileage reimbursement shall be provided for automobile trips within the San Francisco Bay Area (less than fifty (50) miles from SFO). No reimbursement shall be provided for contractor meals, accommodations, long distance, and cellular telephone charges within the San Francisco Bay Area (less than fifty (50) miles from SFO). Specialists, Project Executives, and others that are based out of town, who are not

assigned to the jobsite office, must have prior written approval by SFO in order to be reimbursed for salary costs and travel expenses. Regional (remote) executive's travel expenses to visit the local job office are not reimbursable. Part-time jobsite personnel who are shared with other out-of-town clients are not reimbursed for travel expenses.

2. Any ODC expenses in excess of \$500 shall be pre-approved by the Project Manager.

G. Approved Hourly Rate Schedules are detailed in Appendix C of this agreement.

San Francisco International Airport
Contract 8974.9
Construction Management Services for Terminal 3, Boarding Area E Refurbishment Project
with
PGH Wong Engineering, Inc.
Staffing Plan 2010 through 2012
Appendix C

Name	Position	Firm	Escalated Rate	OH	Billing Rate	Fee	Billing Rate plus Fee	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Peter Wong, P.E.	Project Executive	Wong	\$83.20	150.00%	\$208.00	10%	\$228.80	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
David Brown, P.E.	Project Leader & Resident Engineer	Wong	\$70.13	128.00%	\$159.89	10%	\$175.88	\$2,814	\$7,035	\$14,070	\$14,070	\$14,070	\$14,070	\$14,070	\$14,070	\$14,070	\$28,141	\$28,141
Peter Li, P.E.	Terminal/Security/Special Systems Design Manager	Wong	\$71.84	128.00%	\$163.33	10%	\$179.66	\$0	\$5,749	\$5,749	\$14,373	\$14,373	\$14,373	\$14,373	\$14,373	\$14,373	\$28,746	\$28,746
Ronald Wong, P.E.	Terminal Systems	Wong	\$71.84	150.00%	\$179.09	10%	\$197.00	\$0	\$1,578	\$1,578	\$1,578	\$1,578	\$1,578	\$1,578	\$1,578	\$1,578	\$3,162	\$3,162
Kenji Murokami, R.A.	Facilities Design Manager / Architectural Design Review	Wong	\$60.00	150.00%	\$149.99	10%	\$164.99	\$0	\$0	\$2,640	\$5,280	\$5,280	\$5,280	\$5,280	\$0	\$0	\$0	\$0
Willie Chiang, R.A.	Assistant Resident Engineer	Wong	\$54.88	128.00%	\$125.37	10%	\$137.90	\$5,516	\$8,826	\$8,826	\$8,826	\$8,826	\$8,826	\$8,826	\$8,826	\$17,651	\$22,064	\$22,064
Bahram Movaleghi	Terminal/Security/Special Systems Inspector	Wong	\$53.70	128.00%	\$122.43	10%	\$134.67	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,309	\$10,773	\$10,773
Clifford Wong, P.E.	Project Controls & Outside Technical Services Manager	Wong	\$78.14	150.00%	\$197.86	10%	\$217.55	\$0	\$3,482	\$3,482	\$1,741	\$1,741	\$1,741	\$1,741	\$1,741	\$1,741	\$1,741	\$3,482
Julia Katz	Project Controls Support / Contract Administration	Wong	\$30.00	128.00%	\$68.41	10%	\$75.25	\$0	\$0	\$1,204	\$2,408	\$2,408	\$2,408	\$2,408	\$2,408	\$2,408	\$2,408	\$2,408
								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ajay Singh, PMP	Scheduling, Budgeting & Cost Estimating	Dabri	\$93.00	88.69%	\$175.48	10%	\$193.03	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,088	\$3,088
Sanjay Mishra, P.E.	Facilities Inspector	Hanna	\$52.00	151.50%	\$130.78	10%	\$143.86	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,603	\$11,509	\$11,509
Sarah Kalika, P.G.	Environmental Monitoring and Hazardous Materials	Kleinfelder	\$35.33	155.00%	\$90.09	10%	\$99.10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ahmed Mouada	Special Inspections & Material Testing	Apex	\$37.37	155.00%	\$95.29	10%	\$104.81	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

514

\$1,622,293.35
— 34,956.65

John
9-22-60

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

City Elective Officer Information (Please print clearly.)

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:
PGH Wong Engineering, 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:
Not Applicable
- (2) The Contractor's chief executive officer, chief financial officer and chief operating officer:
Chief Executive Officer: Peter G.H. Wong, P.E.
Chief Financial Officer: Not Applicable
Chief Operating Officer: Not Applicable
- (3) Any person who has an ownership of 20% or more in the contractor:
Peter G. H. Wong, P.E.
- (4) Any subcontractor listed in the bid or contract:
Apex Testing Laboratories, Inc.
Dabri, Inc.
The Hanna Group
Kleinfelder
URS Corporation
Mike Towle
Ilium Associates, Inc.
Omnivex Corporation
- (5) Any Political Committee sponsored or controlled by the Contractor:
Not Applicable

Apex Testing Laboratories, Inc.

- (1) Members of the Contractor's Board of Directors:
Not Applicable
- (2) The Contractor's chief executive officer, chief financial officer and chief operating officer:
Chief Executive Officer: Abdel-Kader Khelifa
Chief Financial Officer: Fouzia Belhandouz
Chief Operating Officer: Not Applicable
- (3) Any person who has an ownership of 20% or more in the contractor:
Abdel-Kader Khelifa
Fouzia Belhandouz
- (4) Any subcontractor listed in the bid or contract:
Not Applicable
- (5) Any Political Committee sponsored or controlled by the Contractor:

Not Applicable

Dabri, Inc.

- (1) Members of the Contractor's Board of Directors:
Ravinder Kaur
- (2) The Contractor's chief executive officer, chief financial officer and chief operating officer:
CEO/CFO/COO = Ravinder Kaur
- (3) Any person who has an ownership of 20% or more in the contractor:
Ravinder Kaur
- (4) Any subcontractor listed in the bid or contract:
Not Applicable
- (5) Any Political Committee sponsored or controlled by the Contractor:
Not Applicable

The Hanna Group

- (1) Members of the Contractor's Board of Directors:
Narimane Panayotou
Nicole Hanna
Mehrdad Varzandeh
Nickitas M. Panayotou
Therese K. Hanna
Nickitas F. Panayotou
- (2) The Contractor's chief executive officer, chief financial officer and chief operating officer:
Chief Executive Officer: Nickitas M. Panayotou
Chief Financial Officer: Narimane Panayotou
Chief Operating Officer: Mehrdad Varzandeh
- (3) Any person who has an ownership of 20% or more in the contractor:
Narimane Panayotou
- (4) Any subcontractor listed in the bid or contract:
Not Applicable
- (5) Any Political Committee sponsored or controlled by the Contractor:
Not Applicable

Kleinfelder

- (1) Members of the Contractor's Board of Directors:
William C. Siegel, Chairman
M. Ashraf Jahangir
Rodger L. Johnson (outside director)
Michael P. Kesler
John Moossazadeh
Donald L. Pomeroy
Kevin E. Pottmeyer
Kerry L. Ruebelmann
Nancy Shanik (outside director)
- (2) The Contractor's chief executive officer, chief financial officer and chief operating officer:
Chief Executive Officer: William C. Siegel
Chief Operating Officer: Michael P. Kesler
Chief Financial Officer: David Johnson
- (3) Any person who has an ownership of 20% or more in the contractor:
Not applicable

(4) Any subcontractor listed in the bid or contract:
Not applicable

(5) Any Political Committee sponsored or controlled by the Contractor:

Kleinfelder formed its own Political Action Committee in 2009 with goals consistent with the interest of the shareholders of Kleinfelder and business goals of the organization. Kleinfelder's Political Action Committee is focused solely on federal issues and is voluntarily supported by a Restricted Class of direct shareholders in accordance with federal law governing PACs.

URS Corporation

(1) Members of the Contractor's Board of Directors:

Mickey P. Foret
Senator William H. Frist, MD
Lydia H. Kennard
Donald R. Knauss
Martin M. Koffel
Timothy R. McLevish
Gen. Joseph W. Ralston, USAF (Retired)
John D. Roach
Douglas W. Stotlar
William P. Sullivan

(2) The Contractor's chief executive officer, chief financial officer and chief operating officer:

Chief Executive Officer: Martin M. Koffel
Chief Financial Officer: H. Thomas Hicks
Chief Operating Officer: John Vollmer

(3) Any person who has an ownership of 20% or more in the contractor:
None

(4) Any subcontractor listed in the bid or contract:
None

(5) Any Political Committee sponsored or controlled by the Contractor:
None

Mike Towle

(1) Members of the Contractor's Board of Directors:
Not Applicable

(2) The Contractor's chief executive officer, chief financial officer and chief operating officer:
Not Applicable

(3) Any person who has an ownership of 20% or more in the contractor:
Not Applicable

(4) Any subcontractor listed in the bid or contract:
Not Applicable

(5) Any Political Committee sponsored or controlled by the Contractor:
Not Applicable

Ilium Associates, Inc.

(1) Members of the Contractor's Board of Directors:
Carolyn Perez Andersen
Metian Anderson

(2) The Contractor's chief executive officer, chief financial officer and chief operating officer:
Chief Executive Officer: Carolyn Perez Andersen
Chief Financial Officer: Marcy McKenzie
Chief Operating Officer: Carolyn Perez Andersen

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

Carolyn Perez Andersen
Gary Andersen

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

Not Applicable

(5) Any Political Committee sponsored or controlled by the Contractor:

Not Applicable

Omnivex Corporation

(1) Members of the Contractor's Board of Directors:

Douglas Bannister
Carolyn Bannister
Jeffrey Collard

(2) The Contractor's chief executive officer, chief financial officer and chief operating officer:

Chief Executive Officer: Doug Bannister
Chief Financial Officer and Chief Operating Officer: Corie Bannister

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

Carolyn Bannister
D Bannister Holdings (Douglas Bannister)
Jeffrey Collard

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

Not Applicable

(5) Any Political Committee sponsored or controlled by the Contractor:

Not Applicable

Contractor address:

PGH Wong Engineering, Inc.: 182 2nd Street, Suite 500, San Francisco, California 94105
Apex Testing Laboratories, Inc.: 3450 3rd Street, Suite 3E, San Francisco, California 94124
Dabri, Inc.: 564 Market Street, Suite 719, San Francisco, California 94104
The Hanna Group: 703 Market Street, Suite 1412, San Francisco, California 94103
Kleinfelder: 2601 Barrington Court, Hayward, California 94545
URS Corporation: One Montgomery Street, Suite 900, San Francisco, California 94104
Mike Towle: 1748 Carleton Court, Redwood City, California 94061
Ilium Associates, Inc.: 600 108th Avenue NE, Suite 600, Bellevue, Washington 98004
Omnivex Corporation: 3300 Highway 7, Suite 501, Concord, Ontario Canada

Date that contract was approved:

(By the SF Board of Supervisors)

Amount of contract:

Not-to-Exceed \$13,700,000

Describe the nature of the contract that was approved: Provide Construction Management and Administrative Construction Management Support Services to assist Airport Program and Project staff, with the proven ability and expertise to work well in a highly collaborative environment, with key personnel experienced in major terminal renovation/reconstruction programs. The scope of work will consist of assisting Airport Staff in providing Construction Management services for the Terminal 3, Boarding Area E Refurbishment Project and Administrative Construction Management support services for the Terminal 3 Improvements Project in a coordinated and methodical manner. Specific areas of expertise required include: terminal program planning and phasing, program-level cost/schedule controls, solicitations and contract preparation, alternative project delivery processes, program management/construction management coordination, cost estimating, industry outreach/workshops, document control, program management systems, and other administrative support functions and operations.

Comments: Requesting Board of Supervisors to approve the Professional Services Agreement for Airport Contract 8974.9 – Construction Management Services for the Terminal 3, Boarding Area E Refurbishment Project between PGH Wong Engineering, Inc. and the City and County of San Francisco for a contract end date through June 30, 2015 and an estimated total budget for Contract services through February 1, 2017 with an anticipated final contract value not to exceed \$13,700,000.

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 <i>(Please print clearly.)</i>	
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

Item 13
File 14-0670

Department:
 San Francisco International Airport (Airport)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would authorize (1) the fourth amendment to an existing contract between the Airport and PGH Wong Engineering, Inc. (PGH Wong) for construction management services between the Airport and PGH Wong Engineering, Inc. (PGH Wong), and (2) the Airport Director to negotiate and execute future amendments to the contract.
- The fourth amendment to the contract would increase the contract amount by \$2,835,000 from \$9,165,000 to \$12,000,000. The term would remain unchanged from the current term ending in June 30, 2015. The future contract amendments would increase the contract amount by \$1,700,000, from \$12,000,000 to \$13,700,000 and extend the term by 19 months to February 1, 2017.

Key Points

- For large construction projects, the Airport awards construction management contracts for a contract term that is less than the full term of the project with the expectation that, if the contractor meets performance expectations, the Airport will amend the original contract to provide construction management services through the end of the project.
- The Airport awarded the construction management contract for the Terminal 3 Boarding Area E improvement project to PGH Wong through a competitive process. The original contract between the Airport and PGH Wong was for a term of 22 months from August 2010 through June 30, 2012 and for a not-to-exceed contract amount of \$1,757,700. The Airport has amended the contract three times to (1) include administrative contract management services for the Boarding Area E improvement project and adjacent Terminal 3 East Improvement Project, (2) increase the not-to-exceed contract amount by \$7,407,750 to \$9,165,000, and (3) extend the contract term by 36 months through June 30, 2015. The original contract and subsequent amendments were not subject to Board of Supervisors approval because they did not meet the Charter required thresholds.

Fiscal Impact

- The fourth amendment to the contract would increase the not-to-exceed contract amount by \$2,835,000 from \$9,165,000 to \$12,000,000. The future amendments to the contract would increase the contract not-to-exceed amount by \$1,700,000 to \$13,700,000. The contract is funded by Airport revenue bonds.
- According to Airport staff, the Airport does not anticipate additional amendments to the contract with PGH Wong Engineering that would increase the contract amount to more than \$13,700,000 or extend the contract term beyond February 1, 2017.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

City Charter Section 9.118(b) states that (1) contracts entered into by a department, board or commission that have a term of more than ten years, or require expenditures of \$10 million or more, or (3) such contracts that require a modification with a \$500,000 impact or more are subject to Board of Supervisors approval.

Background

After the San Francisco International Airport (Airport) completed its renovation of Terminal 2 in 2011, it began renovating Terminal 3 including, among other various projects, renovating Boarding Area E and the Terminal 3 East Improvement Project.

Construction Management Services Contracts at the Airport

In September 2009, the Airport issued a Request for Qualifications (RFQ) to solicit statements of qualification from construction management companies in order to develop a pool of qualified companies that could provide construction management services on projects included in the Airport's 5-Year Capital Improvement Plan (CIP). In March 2010, the Airport received 11 statements of qualification, which were scored by a three-member panel. Of those companies that provided statements of qualification, the top seven scores were placed into the eligible pool of companies that could provide construction management services for projects included in the Airport's 5-Year CIP.

Table 1 below shows the seven companies in the pool and the scores they received.

Table 1: Pool of Companies Eligible for Construction Management Services Contracts for Projects in the Airport's 5-Year Capital Improvement Program

Company	Score
The Allen Group, LLC/ Cornerstone, Joint Venture	85.28
URS/ ECS, Joint Venture	84.93
F.E. Jordan/Hill International	84.57
PGH Wong Engineering, Inc.	75.67
EPC/CM West, Joint Venture	73.10
AECOM	72.33
PMA/NBA, Joint Venture	70.23

As the Airport began projects in the 5-Year CIP, the Airport issued competitive Requests for Proposals (RFP) to those companies in the eligible pool, which would then submit proposals that would be scored and subsequently awarded to the company that received the highest score.

PGH Wong Engineering, Inc.

In May 2010, the Airport issued a competitive RFP for construction management services for the Boarding Area E renovation project. Six of seven firms in the construction management pool submitted proposals that were reviewed by a three-member panel consisting of a senior

engineer from the Airport, a principal architect from the Airport, and a project manager from the Department of Public Works. Table 2 below shows that PGH Wong Engineering, Inc. (PGH Wong) received the highest score.

**Table 2: Companies and Scores for Boarding Area E of Terminal 3
Construction Management Services Contract**

NAME	SCORE
PGH Wong Engineering, Inc.	113.00
URS/ECS, Joint Venture	107.32
EPC Consultants, Inc.	106.07
FE Jordan/Hill International	104.28
AECOM	102.83
PMA/NBA, Joint Venture	101.77

In August 2010, the Airport awarded the contract in the not-to-exceed amount of \$1,757,250 for construction management services related to the Boarding Area E renovation project to PGH Wong. The original contract was not subject to Board of Supervisors approval because the contract amount was less than \$10 million.

The Airport amended the contract in February 2012, August 2013, and April 2014 to (1) expand the services provided under the original contract to include administrative construction management (ACM) services for both Boarding Area E and the Terminal 3 East Improvement Project, (2) increase the total not-to-exceed amount for the contract, and (3) extend the term of the contract, as shown in Table 3 below. The first, second, and third amendments to the original contract were not subject to Board of Supervisors approval because those amendments increased the total contract not-to-exceed amount to \$9,165,000, which did not exceed the \$10 million Charter threshold.

Contract Funding

In May 2014, the Board of Supervisors approved a resolution and an ordinance (Files 14-0237 and 14-0232 respectively) that authorized the Airport to issue \$1,969,830,773 in Airport Revenue Bonds in order to fund various capital projects including \$151,258,290 for the improvements to Terminal 3 discussed in this report. All of the construction management service contract costs will be paid for by using these approved Airport revenue bond proceeds.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would authorize (1) the fourth amendment to an existing contract between the Airport and PGH Wong Engineering, Inc. (PGH Wong) for construction management services between the Airport and PGH Wong Engineering, Inc. (PGH Wong), and (2) the Airport Director to negotiate and execute future amendments to the contract.

- The fourth amendment to the contract would increase the contract amount by \$2,835,000 from \$9,165,000 to \$12,000,000. The term would remain unchanged from the current term from August 23, 2010 through June 30, 2015.

- The future contract amendments would increase the contract amount by \$1,700,000, from \$12,000,000 to \$13,700,000 and extend the term by 19 months to February 1, 2017.

For large construction projects, the Airport awards construction management services contracts for an initial term of one-year that can be amended to extend the term of contract if the Airport is satisfied with the contractor services, which allows the Airport to better manage the contract and related costs. Therefore, according to Ms. Judi Mosqueda, Airport Terminal Area Program Director, the Airport anticipates and has budgeted for two future contract amendments, of which:

1. The future fifth amendment to the contract would increase the amount by \$1,200,000 from \$12,000,000 to \$13,200,000, and extend the term by 12 months from June 30, 2015 to June 30, 2016; and
2. The future sixth amendment to the contract would increase the amount by \$500,000 from \$13,200,000 to \$13,700,000 and extend the term by 7 months from June 30, 2016 to February 1, 2017.

Table 3 below shows the approved, proposed, and future amendments to the contract between PGH Wong and the Airport.

Table 3: Summary of Construction Management Contract and Subsequent Amendments

Contract / Amendment	Not to Exceed Amount	Increase	Contract Start Date	Contract Expiration Date	Original Term and Extensions
Original Contract*	\$1,757,250	n/a	August 23, 2010	June 30, 2012	22 months
First Amendment	\$5,223,000	\$3,465,750	n/a	June 30, 2015	36 months
Second Amendment	\$7,400,000	\$2,177,000	n/a	June 30, 2015	0 months
Third Amendment	\$9,165,000	\$1,765,000	n/a	June 30, 2015	0 months
Proposed Fourth Amendment	\$12,000,000	\$2,835,000	n/a	June 30, 2015	0 months
Future Fifth Amendment	\$13,200,000	\$1,200,000	n/a	June 30, 2016	12 months
Future Sixth Amendment	\$13,700,000	\$500,000	n/a	February 1, 2017	7 months
Total	\$14,700,000	\$11,942,750	August 23, 2010	February 1, 2017	77 months

FISCAL IMPACT

The proposed resolution would approve the fourth amendment to the original contract between PGH Wong and the Airport for construction management services and would increase the total not-to-exceed contract amount by \$2,835,000 from \$9,165,000 to \$12,000,000. The fourth amendment does not change the contract end date of June 30, 2015.

A budget for the requested fourth amendment contract amount of \$2,835,000 is shown in Table 4 below.

Table 4: Summary of Original Contract, Amendments to Date, and Proposed Amendments

Contract Service	Original Contract*	Contract As Amended Through July 2014	Proposed Fourth Amendment	Total
Construction Management	\$1,359,697	\$6,693,748	\$1,946,600	\$8,640,348
Inspection and Material Testing	100,000	1,350,000	650,000	2,000,000
Document Control and Inspection	77,654	678,691	75,000	753,691
Environmental Monitoring	-	8,313	-	8,313
Contract Coordination	15,600	15,600	-	15,600
Procurement Services	43,898	30,391	-	30,391
Signage Consulting	-	203,300	88,400	291,700
Other Direct Costs	160,401	184,957	75,000	259,957
Total	\$1,757,250	\$9,165,000	\$2,835,000	\$12,000,000

According to Ms. Mosqueda, PGH Wong has, through May 2014, invoiced \$8,696,743 of the currently authorized not-to-exceed amount of \$9,165,000.

Table 5 below shows the proposed budget for the two future amendments to the construction management services contract between the Airport and PGH Wong that are anticipated to increase the total not-to-exceed amount of the contract by an amount up to \$1,700,000.

Table 5: Proposed Fourth Amendment and Future Fifth and Sixth Amendments Budget

Contract Service	Total Contract Amount Under Fourth Amendment	Future Fifth Amendment	Future Sixth Amendment	Total
Construction Management	\$8,640,348	\$425,000	\$234,000	\$9,299,348
Inspection and Material Testing	2,000,000	750,000	250,000	3,000,000
Document Control and Inspection	753,691	-	-	-
Environmental Monitoring	8,313	-	-	-
Contract Coordination	15,600	-	-	-
Procurement Services	30,391	-	-	-
Signage Consulting	291,700	-	-	-
Other Direct Costs	259,957	25,000	16,000	300,957
Total	\$12,000,000	\$1,200,000	\$500,000	\$13,700,000

According to Ms. Mosqueda, the Airport does not anticipate additional amendments to the contract with PGH Wong Engineering that would increase the contract amount to more than \$13,700,000 or extend the contract term beyond February 1, 2017.

RECOMMENDATION

Approve the proposed resolution.

