

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

**Third Modification**

**Contract No. 8768.41  
Project Management Support Services for  
the Airport Hotel Project**

THIS MODIFICATION (this "Modification") is made as of June 6, 2017, in San Francisco, California, by and between **PGH Wong-MCK JV** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Airport Commission, hereinafter referred to as "**Commission.**"

RECITALS

- A. City and Contractor have entered into the Agreement (as defined below); and
- B. On January 20, 2015, by Resolution No. 15-0003, the Commission awarded this Agreement to the Contractor for one year with a not-to-exceed amount of \$2,938,000; and
- C. City and Contractor administratively modified the Agreement to amend the billing rates through Modification No. 1; and
- D. On May 3, 2016, by Resolution No. 16-0134, the Commission approved Modification No. 2 to extend the contract duration for one year and increase the contract amount for a new not-to-exceed total contract amount of \$5,500,000; and
- E. City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the term of the agreement, increase the contract amount, update labor rates, and update standard contractual clauses; and
- F. On June 6, 2017, by Resolution No. 17-0123, the Commission approved this Modification No. 3 to extend the contract duration for services through June 10, 2018 and increase the contract amount by \$3,500,000 for a new not-to-exceed total contract amount of \$9,000,000; and
- G. Approval for this Agreement was obtained when the Civil Service Commission approved PSC No. 44959-14/15 on December 15, 2014; and

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

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

**a. Agreement.** The term "Agreement" shall mean the Agreement dated January 20, 2015 between Contractor and City, as amended by the:

**First Modification**, dated March 18, 2016, and  
**Second Modification**, dated May 3, 2016.

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

**2. Section 2. Term of the Agreement** is hereby amended to extend the term of the contract through June 10, 2018.

**3. Section 5. Compensation** is hereby amended to increase the total compensation payable by an amount not to exceed **Three Million Five Hundred Thousand Dollars (\$3,500,000)** for a new total not to exceed amount of **Nine Million Dollars (\$9,000,000)**.

**4. Section 65. Federal Non-Discrimination Provisions** is hereby replaced in its entirety to read as follow:

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

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

**65.2 Nondiscrimination.** Contractor, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the Agreement covers any activity, project, or program set forth in Appendix B of 49 CFR §21.

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

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

**65.5 Sanctions for Noncompliance.** In the event of a contractor's noncompliance with the Non-discrimination provisions of this Agreement, the Airport will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

**65.5.1** Withholding payments to the contractor under the contract until the contractor complies; and/or

**65.5.2** Cancelling, terminating, or suspending a contract, in whole or in part.

**65.6 Incorporation of Provisions.** Contractor will include the provisions of paragraphs 65.1 through 65.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Contractor will take action with

respect to any subcontract or procurement as the Airport or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Contractor may request the Airport to enter into any litigation to protect the interests of the Airport. In addition, Contractor may request the United States to enter into the litigation to protect the interests of the United States.

**65.7 Title VI List of Pertinent Nondiscrimination Acts and Authorities.** During the performance of this Agreement, Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC §2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC §4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 USC. §794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR §27;
- The Age Discrimination Act of 1975, as amended, (42 USC §6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC §471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR §37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 USC §47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 CFR at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC §1681 *et seq.*).

5. **New Section 66. Airport Commission Rules and Regulations** is hereby added to read as follow:

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

6. **New Section 67. Federal Fair Labor Standards Act** is hereby added to read as follow:

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

7. **New Section 68. Occupational Safety and Health Act of 1970** is hereby added to read as follow:

**68. Occupational Safety and Health Act of 1970.** This Agreement incorporates by reference the requirements of 29 CFR §1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Contractor retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (29 CFR §1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

8. **Appendix B, Calculation of Charges**, is hereby amended to delete and replace Section 4. Billing Rates as follows:

**4. BILLING RATES**

**4.1** Labor rates and overhead rates shall be used for reimbursement of the time portion of this Agreement. Billing rates shall be the sum of approved hourly direct base labor rates as set forth in Paragraph 7 below plus the lesser of current audited overhead rates, or the maximum approved overhead rates as follows:

<b>FIRM</b>	<b>HOME OFFICE OVERHEAD RATE</b>	<b>FIELD OFFICE OVERHEAD RATE</b>
PGH Wong Engineering, Inc.	151.56%	143.37%
MCK Americas, Inc.	119.95%	119.95%
AEW Engineering, Inc.	186%	159%
Apex Testing Laboratories, Inc.	163%	163%
Chaves & Associates	145%	145%
Cornerstone Transportation Consultants, Inc.	151.68%	151.68%
Meridian Surveying Engineering, Inc.	158%	135%
T.M. Davis & Associates, Inc.	N/A	N/A

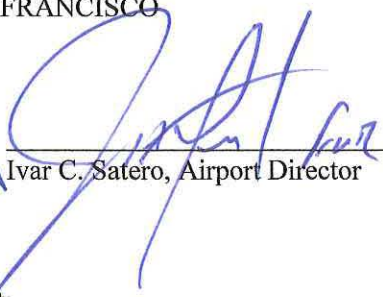




**4.2** Contractor shall submit to the Commission current certified reviewed financial audit report(s) for home and/or field overhead rates upon request for a change or addition to the approved overhead rates stated in this Section 4.

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

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

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

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

<b>CITY</b>	<b>CONTRACTOR</b>
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	
By:  Ivar C. Satero, Airport Director	 Authorized Signature Clifford S. M. Wong Principal-in-Charge
Attest:  By:  Jean Caramatti, Secretary Airport Commission	 Authorized Signature Brendan P. McDevitt Board of Control Member
Resolution No: 17-0123	
Adopted on: June 6, 2017	PGH Wong-MCK JV 182 2 <sup>nd</sup> Street, Suite 500 San Francisco, California 94105 (415) 566-0800
Approved as to Form:  Dennis J. Herrera City Attorney	City Vendor Number: 96831
By:  Heather Wolnick Deputy City Attorney	Federal Employer ID Number: 47-2534560

# SFO Routing Slip



Time Sensitive

Please Return by

8/1/2017

**Subject**

**CONTRACT MODIFICATION**  
 Contract No. 8768.41, Project Management Support Services for the Airport Hotel Project  
 Modification No. 3

**Origination**

Date: 7/18/2017  
 Division: Planning, Design and Construction  
 Dept./Sec.: Contract Management Unit

No.	Name	Action	Initial	Date
1.	Sarah Garcia	Review & Initial	<i>SG</i>	7/18/17
2.	Rick Thall	Review & Initial	<i>RT</i>	7/19/17
3.	Geoffrey W. Neumayr	Review & Initial	<i>GN</i>	7/19/17
4.	CMU	Review & Initial	<i>CS</i>	7/20/17
5.	CAU	Review & Initial	<i>CA</i>	7/27/17
6.	Heather Wolnick	Signature	<i>HW</i>	7/25/17
7.	Jean Caramatti	Signature	<i>JC</i>	7/26/17
8.	Ivar C. Satero	Signature	<i>IS</i>	7-29-17
9.	Accounting	Signature	<i>JL</i>	8-16-17
10.	CMU	Information		

**Comments**

**Return to**

Name: Katarina Sy      Ext.: 1-7839  
 Email: katarina.sy@flysfo.com