

THIS PRINT COVERS CALENDAR ITEM NO. : 10.4

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Human Resources

BRIEF DESCRIPTION:

Authorize the Director of Transportation (or his designee) to execute Contract #SFMTA 2013-14 with BackFirst as an employee health and wellness provider for an amount not to exceed \$3,600,000, for a contract term from April 15, 2014 through March 31, 2017 with two, one year options to be exercised at the Director of Transportation's sole discretion.

SUMMARY:

- This is a renewal and upgrade of a prior program developed to be a resource for employees to improve their overall health, resulting in:
 - Fewer absences from work
 - higher productivity and morale at work
 - fewer work related injuries
 - less severe work related injuries
 - reduced risk of chronic health conditions, improved quality of life
- The SFMTA issued a request for proposals on May 30,2013 and received three proposals
- An evaluation panel scored BackFirst as the highest scoring proposer

ENCLOSURES:

1. SFMTA Resolution
2. Agreement

APPROVALS:

DATE

DIRECTOR _____ 4/8/14

SECRETARY _____ 4/8/14

ASSIGNED SFMTAB CALENDAR DATE: April 15, 2014

PURPOSE

Authorize the Director of Transportation (or his designee) to execute Contract #SFMTA 2013-14 with BackFirst as an employee health and wellness provider for an amount not to exceed \$3,600,000, for a contract term from April 15, 2014 through March 31, 2017 with two, one year options to be exercised at the Director of Transportation's sole discretion.

GOAL

This contract will fulfill the following goals and objectives of the SFMTA Strategic Plan:

Goal 1: Create a safer transportation experience for everyone.

Objective 1.2 – Improve workplace safety and security.

Goal 3: Improve the environment and quality of life in San Francisco.

Objective 3.5 – Reduce capital and operating structural deficits.

Goal 4: Create a Workplace that delivers outstanding service.

Objective 4.2 – Create a collaborative and innovative workplace

DESCRIPTION

This is a renewal and upgrade of an employee health and wellness program, and will be a resource for employees to improve their overall health and decrease their risk for chronic health problems. By virtue of improving employee health, the SFMTA expects to experience higher productivity and fewer absences at work. In addition, the SFMTA expects to incur fewer and less serious work-related injuries. These developing results should improve morale and lower costs.

Major components of the program include:

- Comprehensive Health Risk Assessments
- Exercise Centers
- Exercise and self-improvement classes
- Wellness seminars
- Health Fairs
- Walking Programs
- Weight Loss Programs
- Cooking demonstrations

The program supports and is consistent with the Board of Supervisors Resolution #130943 requiring the adoption and implementation of a comprehensive wellness plan that may include:

- Health Screenings
- Incentives
- Wellness Programs
- Wellness policies
- Health and Wellness Ecosystem
- Communications and Outreach
- Performance Evaluation.

In addition, the program supports and is consistent with Shape Up SF:

The process used for implementation initiated with the issuance of a Request for Proposal (RFP), on May 30, 2013. Three proposals were received from Claremont Partners, Wellness FX, and BackFirst. These proposals were evaluated by a Panel who first scored the proposals based on the criteria in the RFP, followed by a session of oral interviews. Upon scoring both the written proposals and oral interviews, it was determined that BackFirst ranked the highest.

Shape Up SF Strategic Plan:

Worksite Overall Goal: All San Francisco employees will work in settings that promote healthy eating and active living in order to reduce prevalence of chronic disease particularly among those at greatest risk. Policies are in place for employees and employers to eat healthfully and be physically active. Employers create the settings that support their employees to eat healthfully and be physically active.

SCOPE OF SERVICES

BackFirst will provide employee health and wellness services as directed and managed by SFMTA. The scope of services will include:

A. Comprehensive Health Risk Assessment (Program Goal of 5,000 employees per year)

A Comprehensive Risk Assessment (“HRA”) shall consist of the following components, and Contractor will be expected to conduct HRAs for a minimum of 25 employees per month:

- Blood Pressure Screening: measurement, evaluation, and recommendations for healthy blood pressure goals;
- Glucose and Cholesterol Screening: measurement, evaluation, and recommendations for healthy glucose and cholesterol levels;
- Orthopedic Assessment: Information gathering, measurement, evaluation and recommendations for physical conditions. Contractor will provide individual feedback and guidance to employees;
- Nutrition Counseling: Provision of scientific information and coaching for healthy nutrition;

- **Stress Reduction:** Provision of information about reducing physical and mental stress via exercise and nutrition;
- **Weight Control:** Determine individual's Body Mass Index (BMI) score and, where indicated, provision of information, support and programs to help reach healthy weight goals;
- **Chronic Illness Screening (no medical laboratory requirements):** Evaluation for chronic illness potential and clinical recommendation. Contractor shall recommend, for approval by the SFMTA, the types of chronic illnesses for screening and the reasoning for such recommendations, at the beginning of the contract term.
- HRA's will be documented, tracked and reported. If indicated, follow-up at appropriate intervals with services shall be completed in a timely manner.

B. Worksite Exercise and Education Centers (up to ten locations)

The contractor will be expected to perform the following services at each worksite exercise and education center (up to ten):

- Contractor shall staff the exercise rooms to consult and advise participants on-site for a maximum of 5,200 hours for the term of the contract. The exact hours of operation will be determined by the SFMTA. The participants shall be advised on the proper use of fitness equipment, and benefits of exercising related to participant's needs and health conditions.
- Facilitate and conduct healthy lifestyle education and training sessions at the exercise centers and/or appropriate conference room settings that emphasize employee fitness and wellness, and coordinate with the SFMTA program designees to meet with employees in pre-scheduled group sessions to coach exercises, and provide education on positive behavior change and healthy eating.
- Regularly maintain the existing professional quality fitness equipment and room furnishings to ensure that the equipment is functioning properly and is safe at SFMTA facilities, and on an as-needed basis plan and, propose new fitness equipment and room furnishings for existing and new exercise rooms for SFMTA to procure.
- All the newly proposed worksite exercise centers will be furnished with new fitness equipment. The estimated equipment purchase for new sites is approximately five pieces of professional grade aerobic and/or strengthening fitness equipment per site, and each site is estimated at around 500 square feet.

C. Therapeutic Program

The contractor will be expected to perform the following:

- Plan, conduct and coordinate various exercise classes, such as Yoga, Zumba, Tai Chi, and chair massage as well as other similar modalities suggested by the contractor and preapproved by SFMTA. These classes will be conducted on an on-going basis during the contract term at the pre-determined locations agreed upon by both parties. The contractor will work with SFMTA program designees to promote program benefits and enhance employees' awareness, involvement, participation and facility utilization. (Program Goal 200 classes per year)

- Plan, coordinate and conduct no less than 24 regularly scheduled information seminars on wellness related health topics each contract year, a total of no less-than 72 seminars during the three-year contract term. These seminars will be no shorter than one-hour in length and will be held at various SFMTA facility sites, with a mutually agreed upon schedule. Contractor may propose the seminar topics, but the final determination of seminar topics will be made by the SFMTA.
- Conduct eight, one-day health fairs per year at locations agreed upon by both parties.
- Implement and manage a daily walking program (Program Goal: three sites).
- Implement and manage a weight loss program on a weekly basis at one site.
- Conduct nutritional cooking demonstrations once a month at various sites.
- Incorporate program participants' feedback to modify, update, and adjust class and/or seminar type, size, frequency, or locations to meet the overall program goal of improving employee satisfaction and health condition.

D. Marketing

- Contractor shall develop and implement 80/20 marketing strategy (80% of the resources to recruit the 20% of employees that are least likely to participate)
- Prepare and distribute outreach materials to advocate the programs and to communicate with SFMTA employees on the program benefits, success, and progress on a regular basis.

E. Incentive Reward Program

The Incentive Recognition and Reward Program will provide rewards and incentives for participation in the program. There will be a focus on recognition- from the Program, peers and management of SFMTA.

F. Program Monitoring and Data Management

Contractor shall recommend Program Goals for each metric in this section.

The contractor will be expected to perform the following:

- Specify and utilize a database management system that will provide the necessary technical functions and meets the needs of the program monitoring efforts, track and collect program data on the daily basis, maintain and store program data on a centralized computerized database system at contractor's secured site to preserve accuracy, consistency and confidentiality. No employee specific information will be released to any third party without written authorization from the employee. All reports submitted to the SFMTA shall be in summary format without any employee identifiable information.
- Implement a computerized program monitoring system to track participant attendance and facility usage frequency on an ongoing basis and conduct routine database maintenance and overall program data management.

The following metrics shall be monitored and reported on by the Contractor:

Orthopedic assessment:

- Number of participants utilizing ortho assessments
- Number of participants demonstrating improved orthopedic health

Nutritional counseling: Number of participants per Division or workplace using exercise centers:

- Number of training classes per month at each worksite exercise center

Therapeutic program participation:

- Number of participants by type of seminar

Employee feedback:

- Results of employee feedback from classes, seminars, health fairs and events
- Recommendations for program change as appropriate

Concierge incentive reward program:

Rewards provided, tracked by Tier:

- Number of participants utilizing nutritional counseling services
- Number of participants demonstrating improved healthy eating habits

Stress reduction:

- Number of participants utilizing stress reduction programs
- Efficacy of stress reduction techniques and healthy coaching

Weight control:

- Monitor increase/decrease in weight
- Monitor increase/decrease in Body Mass Index (BMI) score

Chronic illness screening:

- Number of participants screened and referred for follow-up chronic illness health coaching

Exercise participation:

- Number of participants in reward incentive program

Cooking demonstrations:

- Number of participants attending monthly cooking demonstrations
- Number of participants attending cooking demonstrations at health fairs
- Food prepared and presenter at each demonstration

Walking Program:

- Number of participants
- Summary of participants steps/day or time walked per day

Contractor shall also:

- Develop a one page interest survey form to assess employee's interests;
- Provide program data consolidation and program progress analysis, prepare and submit program performance measurement reports to SFMTA on a quarterly basis and an annual summary;
- Collect and analyze employees' feedback on the existing training program, propose and establish a full range of training and class offerings on an on-going basis to accomplish the program's goals;
- Coordinate with SFMTA on the staff scheduling and facility operational coverage for the program facilities;
- Provide administrative office equipment, including office furniture, computer equipment, telephone, fax and any other items that the contractor determines to be necessary to conduct the program monitoring and data management.

LBE Participation Subcontracting Goal

There is a 15 percent LBE participation subcontracting goal for this contract.

The City Attorney has reviewed and approved this report.

ALTERNATIVES CONSIDERED

These services were previously provided by a vendor via contract. As part of the RFP process, consideration was given to the option of providing the same services internally with current staff v. outsourcing to a contractor. Current staffing levels to support this program are not in place, and the projected cost to perform the services internally was cost prohibitive. It was determined to continue contracting out for these services.

FUNDING IMPACT

This program will be funded from the Agency's Operating Budget for FY 2014 – FY 2016.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

None.

RECOMMENDATION

SFMTA staff recommends that the San Francisco Municipal Transportation Agency Board of Directors authorize the Director of Transportation to execute Contract #SFMTA 2013-14 with BackFirst as an employee health and wellness provider for an amount not to exceed \$3,600,000, for a contract base term from April 15, 2014 to March 31, 2017 with two, one year options to be exercised at the Director of Transportation's sole discretion.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The SFMTA has had an employee wellness program for the last 10 years and wishes to continue the program; and

WHEREAS; A request for proposals was issued by the SFMTA on May 30, 2013 for Wellness Services; and

WHEREAS, The SFMTA formed a selection panel, whose members scored BackFirst as the highest ranked proposer; and

WHEREAS, An approval for this professional services contract was obtained from the Civil Service Commission at its February 4, 2013 commission meeting through Notice of Action for Personal Service Contract Number 4070-12/13; and,

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to execute Contract #SFMTA 2013-14 with BackFirst for On-Site Employee Fitness and Wellness Programs for an amount not to exceed \$3,600,000, for a contract term from April 15, 2014 to March 31, 2017 with two, one year options to be exercised at the Director of Transportation's sole discretion; and, be it

FURTHER RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to enter into any amendments or modifications to the contract, prior to its final execution by all parties, that the Director of Transportation determines, in consultation with the City Attorney, are in the best interest of the City, do not otherwise materially increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the contract and are in compliance with all applicable laws, including the City's Charter.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of April 15, 2014.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

**City and County of San Francisco
Municipal Transportation Agency
One South Van Ness Ave., 7th floor
San Francisco, California 94103**

**Agreement between the City and County of San Francisco and Michael K. Leary, PT, Inc.,
dba BackFirst
for On-Site Employee Fitness and Wellness Programs**

Contract No. SFMTA-2013-32

This Agreement is made this 15th day of April, 2014, in the City and County of San Francisco, State of California, by and between: BackFirst, 569 Geary Street, Suite 202, San Francisco, CA 94102 (“Contractor”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Municipal Transportation Agency (“SFMTA”).

Recitals

- A. The SFMTA wishes to provide to its employees worksite fitness, wellness and preventative care, including coaching, counseling, training and assessment activities.
- B. A Request for Proposals (“RFP”) was issued on May 30, 2013, and City selected Contractor as the highest-ranked proposer.
- C. Contractor represents and warrants that it is qualified to perform the services required by City as described in this contract.
- D. Approval for this Agreement was obtained when the Civil Service Commission approved the Personal Service Contract number 4070-12/13 on February 4, 2013.

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 April 15, 2014 through March 31, 2017 with two, one year options to be exercised at the Director of Transportation’s sole discretion.

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.

5. Compensation. Compensation shall be made in monthly payments on or before the first day of each month for work, as set forth in Section 4 of this Agreement, that the SFMTA's Director of Transportation, 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 Three Million Six Hundred Thousand Dollars (\$3,600,000). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," 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 SFMTA 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 CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the SFMTA, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD 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 CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD 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 §2 1.35, 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/California/administrative/administrativecode?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$sync=1](http://www.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$sync=1). 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. Left Blanket by Agreement of the Parties (Disallowance).

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 & Taxation 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, 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 coverages:

(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.

(5) Technology Errors and Omissions Liability. Contractor shall obtain and maintain throughout the duration of the contract technology errors and omissions liability coverage with limits of \$1,000,000 per occurrence/loss, \$2M Aggregate. The policy shall at a minimum cover professional misconduct or lack of the requisite skill required for the performance of services defined in the contract and shall also provide coverage for the following risks:

A. Liability arising from theft, dissemination, and/or use of confidential information, including but not limited to, bank and credit card account information or personal information, such as name, address, social security numbers, stored or transmitted in electronic form.

B. Network security liability arising from the unauthorized access to, use of, or tampering with computers or computer systems, including hacker attacks.

C. Liability arising from the introduction of a computer virus into, or otherwise causing damage to the City or third person's computer system, network, or similar computer related property and the data, software, and programs thereon."

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 Insureds, 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 coverages or cancellation of coverages 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 coverages 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 insureds.

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. Left Blank by Agreement of the Parties (Liquidated Damages).

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:

8. Submitting False Claims; 10. Taxes; 5. Insurance; 24. Proprietary or Confidential Information of City; 30. Assignment; 7. Drug-Free Workplace Policy; 53. Compliance with Laws; 57. Protection of Private Information; and 58. Protection of Employee Medical Information.

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 often days after written notice thereof from City to Contractor.

c. Contractor (a) is generally not paying its debts as they become due, (b) 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, (c) makes an assignment for the benefit of its creditors, (d) 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 (e) takes action for the purpose of any of the foregoing.

d. A court or government authority enters an order (a) 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, (b) 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 (c) ordering the dissolution, winding-up or liquidation of Contractor.

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 (1) all payments previously made by City for work or other services covered by Contractor's final invoice; (2) any claim which City may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) 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:

8. Submitting False Claims; 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; and 57. Protection of Private Information; and 58. Protection of Employee Medical 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: Workers' Compensation Manager
 SFMTA Human Services
 One South Van Ness Ave. 6th Floor
 San Francisco, CA 94103
 Telephone: (415) 701-4351
 E-mail: dan.roach@sfmta.com

To Contractor: Michael K. Leary, P.T.
 BackFirst
 569 Geary Street, Suite 202
 San Francisco, CA 94102
 Telephone: (415) 310-8834
 E-mail: m1leary@earthlink.net

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. Reserved.

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 Contract Monitoring Division or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of CMD") 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 CMD 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 CMD 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 CMD or the Controller upon request.

(2) **Subcontracting Goals.** The LBE subcontracting participation goal for this contract is 15%. 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 CMD Progress Payment Form and the CMD Payment Affidavit. Failure to provide the CMD Progress Payment Form and the CMD Payment Affidavit with each invoice submitted by Contractor shall entitle City to withhold 20% of the amount of that invoice until the CMD Payment Form and the CMD 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 CMD 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 CMD 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 CMD 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 CMD 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 § 148.17.

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 I-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 § 1 2B.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 CMD 128-101) with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division.

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. Left Blank by Agreement of the Parties. (Tropical Hardwood and Virgin Redwood Ban).

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 its employees, whether directly or through a contractor, must be accessible to those employees. 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 agrees 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 organizations 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 (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 the board of a state agency 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.

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 rebuttable 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. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapter 83 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 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 anti/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 the SFMTA to submit to the SFMTA Contract Compliance Office 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% (CMD 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. Left Blank by Agreement of Parties (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 (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) 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. Protection of Employee Medical Information. Contractor understands and agrees that, in the performance of the work or services under this Agreement, Contractor may have access to private and confidential medical information of City employees that constitutes Protected Health Information within the meaning of the Healthcare Insurance Portability and Accountability Act of 1996 (“HIPAA”) and is protected from disclosure by HIPAA and other federal state and local laws, including but not limited to the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“the HITECH Act”), and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the “HIPAA Regulations”). Contractor also understands and agrees that Contractor is a Covered Entity as defined by HIPAA and is therefore required to abide by the Privacy Rule contained therein. Contractor also agrees that Contractor is responsible for compliance with all applicable laws, including but not limited to HIPAA and HITECH, that protect the Protected Health Information and any other confidential medical information of City employees that Contractor obtains in the performance of its duties under this Agreement. Contractor agrees that any failure of Contractor to comply with such laws shall be a material breach of this Agreement. In such an event, in addition to any other remedies available to it under equity or law, City may terminate this Agreement, bring a false claim action against Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar Contractor.

59. Left Blank by Agreement of the Parties (Food Service Waste Reduction Requirements).

60. Left Blank by Agreement of the Parties (Slavery Era Disclosure)

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.

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

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| <p>CITY</p> <p>San Francisco Municipal Transportation Agency</p> <hr/> <p>Edward D. Reiskin Director of Transportation</p> <p>Approved as to Form:</p> <p>Dennis J. Herrera City Attorney</p> <p>By: _____ Mariam M. Morley Deputy City Attorney</p> <p>AUTHORIZED BY:</p> <p>MUNICIPAL TRANSPORTATION AGENCY BOARD OF DIRECTORS</p> <p>Resolution No: _____</p> <p>Adopted: _____</p> <p>Attest: _____ Roberta Boomer, Secretary SFMTA Board of Directors</p> | <p>CONTRACTOR</p> <p>Michael K. Leary, PT, Inc., dba BackFirst</p> <p>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.</p> <p>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.</p> <hr/> <p>Michael K. Leary, P.T. Program Director 569 Geary Street, Suite 202 San Francisco, CA 94102</p> <p>City Vendor Number: 55714</p> |
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Appendices

A: Services to be provided by Contractor

B: Calculation of Charges

Appendix A Services to be provided by Contractor

Description of Services

Contractor agrees to perform the following services:

A. Comprehensive Health Risk Assessment (Program Goal of 5,000 employees per year)

A Comprehensive Risk Assessment (“HRA”) shall consist of the following components, and Contractor will be expected to conduct HRAs for a minimum of 25 employees per month:

- Blood Pressure Screening: measurement, evaluation, and recommendations for healthy blood pressure goals;
- Glucose and Cholesterol Screening: measurement, evaluation, and recommendations for healthy glucose and cholesterol levels;
- Orthopedic Assessment: Information gathering, measurement, evaluation and recommendations for physical conditions. Contractor will provide individual feedback and guidance to employees;
- Nutrition Counseling: Provision of scientific information and coaching for healthy nutrition;
- Stress Reduction: Provision of information about reducing physical and mental stress via exercise and nutrition;
- Weight Control: Determine individual’s Body Mass Index (BMI) score and, where indicated, provision of information, support and programs to help reach healthy weight goals;
- Chronic Illness Screening (no medical laboratory requirements): Evaluation for chronic illness potential and clinical recommendation., Contractor shall recommend, for approval by the SFMTA, the types of chronic illnesses for screening and the reasoning for such recommendations, at the beginning of the contract term.
- HRA’s will be documented, tracked and reported. If indicated, follow-up at appropriate intervals with services shall be completed in a timely manner.

B. Worksite Exercise and Education Centers (up to ten locations)

The SFMTA currently operates four employee exercise rooms on-site. These rooms are all in San Francisco and located as follows: one room at Cable Car division, 1201 Mason Street, serving approximately 330 employees; two rooms at Presidio Division, 875 Presidio Ave., serving approximately 360 employees; and one room at SFMTA headquarters, One South Van Ness Ave., 6th Floor, serving approximately 900 employees. Contractor shall add up to six additional exercise rooms, with equipment, as directed by the SFMTA during the term of this

agreement. In accordance with terms and procedures approved by the SFMTA in writing, Contractor may use the Health Strong Mobile van as an employee exercise room, and for the purpose of conducting HRAs, until contractor has designated and equipped sufficient additional exercise rooms on SFMTA property.

The contractor will be expected to perform the following services at each worksite exercise and education center:

- Contractor shall staff the exercise rooms to consult and advise participants on-site for a maximum of 5,200 hours for the term of the contract. The exact hours of operation will be determined by the SFMTA. The participants shall be advised on the proper use of fitness equipment, and benefits of exercising related to participant's needs and health conditions.
- Facilitate and conduct healthy lifestyle education and training sessions at the exercise centers and/or appropriate conference room settings that emphasize employee fitness and wellness, and coordinate with the SFMTA program designees to meet with employees in pre-scheduled group sessions to coach exercises, and provide education on positive behavior change and healthy eating.
- Regularly maintain the existing professional quality fitness equipment and room furnishings to ensure that the equipment is functioning properly and is safe at SFMTA facilities, and on an as-needed basis plan and, propose new fitness equipment and room furnishings for existing and new exercise rooms for SFMTA to procure.
- All the newly proposed worksite exercise centers will be furnished with new fitness equipment. The estimated equipment purchase for new sites is approximately five pieces of professional grade aerobic and/or strengthening fitness equipment per site, and each site is estimated at around 500 square feet.

C. Therapeutic Program

The contractor will be expected to perform the following;

- Plan, conduct and coordinate various exercise classes, such as Yoga, Zumba, Tai Chi, and chair massage as well as other similar modalities suggested by the contractor and preapproved by SFMTA. These classes will be conducted on an on-going basis during the contract term at the pre-determined locations agreed upon by both parties. The contractor will work with SFMTA program designees to promote program benefits and enhance employees' awareness, involvement, participation and facility utilization. (Program Goal 200 classes per year)
- Plan, coordinate and conduct no less than twenty-four (24) regularly scheduled information seminars on wellness related health topics each contract year, a total of no less-than seventy-two (72) seminars during the three-year contract term. These seminars will be no shorter than one-hour in length and will be held at various SFMTA facility sites, with a mutually agreed upon schedule. Contractor may propose the seminar topics, but the final determination of seminar topics will be made by the SFMTA.
 1.
 - Conduct 8 one-day health fairs per year at locations agreed upon by both parties.
 - Implement and manage a daily walking program (Program Goal: 3 sites).
 - Implement and manage a weight loss program on a weekly basis at one site.

- Conduct nutritional cooking demonstrations once a month at various sites.
- Incorporate program participants' feedback to modify, update, and adjust class and/or seminar type, size, frequency, or locations to meet the overall program goal of improving employee satisfaction and health condition.

D. Marketing

- Contractor shall develop and implement 80/20 marketing strategy (80% of the resources to recruit the 20% of employees that are least likely to participate)
- Prepare and distribute outreach materials to advocate the programs and to communicate with SFMTA employees on the program benefits, success, and progress on a regular basis.

E. Incentive Reward Program

Budget: \$50 per employee per year, or \$250,000/yr.
This includes vendor administrative costs.

Recognition and rewards to be provided only upon approval of Program Manager, and must be detailed in the monthly billing.

Spending limits:

- Tier 1 -- \$15- May include embroidered athletic apparel, hats, pedometers, water bottles, lumbar rolls, calendars, exercise bands, TheraCane, yoga mats, exerballs gift cards, and raffle tickets.
- Tier 2 -- \$25- May include sponsorship for 5K walk/run, gift cards for Whole Foods, raffle tickets.
- Tier 3 -- \$75- May include home blood pressure units, gift cards for sports apparel, equipment and shoes, gift cards to Whole Foods, fitness Products, raffle ticket.
- Tier 4 -- \$100- Recognition lunch.
- Monthly high score -- \$100- One hour massage.
- Monthly Raffle -- \$250- Spa services, mini iPads, individual gym memberships, family gym memberships, home chef, personal Trainer at work or at home, blocks of outside classes (such as yoga, tai chi, palates), headphones, weekend spa retreats, tickets to professional baseball, football, basketball games, Nike sports band, big ticket gift cards

F. Program Monitoring and Data Management

Contractor shall recommend Program Goals for each metric in this section.

The contractor will be expected to perform the following;

Specify and utilize a database management system that will provide the necessary technical functions and meets the needs of the program monitoring efforts, track and collect program data

on the daily basis, maintain and store program data on a centralized computerized database system at contractor's secured site to preserve accuracy, consistency and confidentiality. No employee specific information will be released to any third party without written authorization from the employee. All reports submitted to the SFMTA shall be in summary format without any employee identifiable information.

Implement a computerized program monitoring system to track participant attendance and facility usage frequency on an ongoing basis and conduct routine database maintenance and overall program data management,

The following metrics shall be monitored and reported on by the Contractor;

Orthopedic assessment:

- Number of participants utilizing ortho assessments
- Number of participants demonstrating improved orthopedic health

Nutritional counseling: Number of participants per Division or workplace using exercise centers

- Number of training classes per month at each worksite exercise center

Therapeutic program participation:

- Number of participants by type of seminar

Employee feedback:

- Results of employee feedback from classes, seminars, health fairs and events
- Recommendations for program change as appropriate

Concierge incentive reward program:

Rewards provided, tracked by Tier

- Number of participants utilizing nutritional counseling services
- Number of participants demonstrating improved healthy eating habits

Stress reduction:

- Number of participants utilizing stress reduction programs
- Efficacy of stress reduction techniques and healthy coaching

Weight control:

- Monitor increase/decrease in weight
- Monitor increase/decrease in Body Mass Index (BMI) score

Chronic illness screening:

- Number of participants screened and referred for follow-up chronic illness health coaching

Exercise participation:

- Number of participants per class
- Number of participants in reward incentive program

Cooking demonstrations:

- Number of participants attending monthly cooking demonstrations
- Number of participants attending cooking demonstrations at health fairs
- Food prepared and presenter at each demonstration

Walking Program

- Number of participants
- Summary of participants steps/day or time walked per day

Contractor shall also:

- Develop a one page interest survey form to assess employee's interests;
- Provide program data consolidation and program progress analysis, prepare and submit program performance measurement reports to SFMTA on a quarterly basis and an annual summary;
- Collect and analyze employees' feedback on the existing training program, propose and establish a full range of training and class offerings on an on-going basis to accomplish the program's goals;
- Coordinate with SFMTA on the staff scheduling and facility operational coverage for the program facilities;
- Provide administrative office equipment, including office furniture, computer equipment, telephone, fax and any other items that the contractor determines to be necessary to conduct the program monitoring and data management.

G. SFMTA Liaison

In performing the services provided for in this Agreement, Contractor's liaison with the SFMTA will be the Workers' Compensation Manager. The SFMTA shall provide program support for employee participation via internal emails, newsletters, management announcements, and other communication.

Appendix B - Calculation of Charges

| Service | Description | Unit Price |
|---|---|--------------|
| Comprehensive Health Risk Assessment: <ul style="list-style-type: none"> • Blood Pressure Screening • Orthopedic Assessment • Nutrition Counseling • Stress Reduction • Weight Control • Chronic Illness Screening Glucose and cholesterol screening | Screening components for 5,000 employees in person and online, once a year, including all staffing, equipment and materials. | N/A |
| | <ul style="list-style-type: none"> • Blood Pressure Screening with individual consult, written results and follow-up. | \$20.00 |
| | <ul style="list-style-type: none"> • Orthopedic Quick Checks including flexibility, strength and balance assessments: L1 Primary consult. | \$35.00 |
| | L2 Advanced consult to address deficits | \$75.00 |
| | <ul style="list-style-type: none"> • Body Mass Index and weight metrics. | \$30.00 |
| | <ul style="list-style-type: none"> • Nutritional Counseling L1: Initial. | \$30.00 |
| | L2: Consult with detailed Action Plan. | \$60.00 |
| | L3: Consult with Registered Dietitian. | \$150.00 |
| | <ul style="list-style-type: none"> • Metabolic Syndrome Screening. | \$25.00 |
| | <ul style="list-style-type: none"> • Stress Reduction: Techniques and programs such as Stress Prevention Alternatives program, stress reduction exercises, deep breathing techniques, guided imagery, etc. | \$60.00 |
| | <ul style="list-style-type: none"> • Weight Control including targeted exercise training, aerobic recommendations, FEAST, FitBreaks. | \$60.00 |
| | <ul style="list-style-type: none"> • Chronic Illness Screening. | \$40.00 |
| | <ul style="list-style-type: none"> • Glucose/Cholesterol lab with written results, referral instructions as needed and follow up follow-up (1000 per year). | \$50.00/lab. |
| | <ul style="list-style-type: none"> • Employee Fitness and Wellness Action Plan Based on HRA results including upcoming classes, seminars and events specific to health goals of participant. | \$25.00 |

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| <p>Worksite Exercise and Education Centers:</p> <ul style="list-style-type: none"> On site consulting for each site (up to 10 sites). (Staff must be qualified Personal Trainer) | <p>5,200 total hours per 5 years maximum</p> <ul style="list-style-type: none"> 520 hours per site per year <p>Services provided at all sites with on-site exercise facility and/or via HealthStrong Mobile Exercise and Wellness Center.</p> <ul style="list-style-type: none"> Facilitate and conduct healthy lifestyle education and training sessions at the exercise centers and/or appropriate conference room settings that emphasize employee fitness and wellness, and coordinate with the SFMTA program designees to meet with employees in pre-scheduled group sessions to coach exercises, and provide education on positive behavior change and healthy eating. | <p>\$85.00/hour</p> |
| <p>Worksite Exercise and Education Centers:</p> <ul style="list-style-type: none"> Maintenance of the existing fitness equipment | <p>Parts and service for four current sites</p> <ul style="list-style-type: none"> Presidio Division: <ul style="list-style-type: none"> Gilley Room Room 7C Cable Car Division 1 SVN <p>On an as-needed basis, plan and propose new fitness equipment and room furnishings for existing and new exercise rooms.</p> | <p>\$450.00/month</p> |
| <p>Therapeutic Program:</p> <ul style="list-style-type: none"> Conduct exercise classes such as Yoga, Zumba, Tai Chi, Pilates, chair massage, Body Sculpting | <ul style="list-style-type: none"> Program goal of 200 classes per year with additional classes to be approved by SFMTA. Includes all costs such as instructor fees, scheduling, insurance, etc. | <p>\$120.00/class</p> |
| <p>Therapeutic Program:</p> <ul style="list-style-type: none"> Conduct up to 24 informational seminars each year for up to five years | <ul style="list-style-type: none"> Program goal of 24 seminars addressing emotional, occupational, physical, spiritual, intellectual, and social wellness topics. In addition to above, topics will also cover Nutrition and Weight Management, Disease. Management, Stress Reduction, Fitness and Healthy Living. Provide professional film production and audio pod casts. | <p>\$362.50/ seminar</p> |
| <p>Therapeutic Program:</p> <ul style="list-style-type: none"> Health Fairs | <p>Conduct 8 one day fairs per year. Includes no less than 4 health fairs held in Transit Divisions.</p> | <p>N/A</p> |

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| | Health Fairs will include services such as chair massage, nutritionist, diabetes educators, strength training demos, Yoga, cooking demonstrations, Zumba demo, HRA's, health vendors, incentives, etc. | \$3,060.00/fair |
| | Supplemental: Each Health Fair to include cooking demonstration using 'Farm Fresh' ingredients and provide tastings to participants. | \$150.00/fair |
| Therapeutic Program: <ul style="list-style-type: none"> Implement and manage Walking Program | Establish, provide oversight and management for separate Employee Walking Programs. Coordination of dedicated SFMTA team for ShapeUpSF Walking Challenge. | \$170.00/month per site |
| Therapeutic Program: Implement and manage Weight Loss Program | Conduct one weekly Weight Loss Program at one site. Includes oversight by registered dietician working with nutritionist. Includes 20 lb. Club and topics such as Thrive-on-Five, FEAST, Food Myths, Grab and Go Green, Safe at the Plate, 5 and Dine. | \$875.00/month |
| Therapeutic Program: <ul style="list-style-type: none"> Conduct nutritional cooking demonstrations | Conduct one Nutritional Cooking Demonstration at one site, once a month. | \$385.00/month. |
| | Supplemental - Provide locally sourced Farm Fresh ingredients (i.e. Farmer's Market) and food for participants | \$250.00/month. |
| Program Monitoring and Data Management: <ul style="list-style-type: none"> Provide and utilize a database management system | Use of computerized wellness management systems such as Trale and MyBioCheck HRA system. | \$1,085.00/month |
| Program Monitoring and Data Management: <ul style="list-style-type: none"> Track and collect data | Data tracking and collection for all programs, classes and services provided at 10 sites. | \$90/month per site |
| Program Monitoring and Data Management: <ul style="list-style-type: none"> Provide performance metric reports every quarter & monthly | Computer generated metrics report with narrative summation of all program components including HRAs, Worksite Exercise and Education Centers, Exercise classes, Informational seminars, Health Fairs, Walking Program, Weight Loss Program, and Nutritional Cooking demonstrations. | \$365.00/month |

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| <p>Program Monitoring and Data Management:</p> <ul style="list-style-type: none"> • Prepare and distribute outreach materials to advocate the programs and to communicate with SFMTA employees on the program benefits, success, and progress on a regular basis. | <ul style="list-style-type: none"> • Preparation, distribution and reporting of Employee Surveys, culture audits, Interest Survey forms, and related materials. • Coordinate and distribute outreach materials such as paycheck stuffers, Paddles in Divisions, texts, email, posts on website, in social media, flyers, and other media. • Identify and train employee Wellness Ambassadors. • Newsletters • Provide filmed seminar DVDs and audio podcasts. | <p>\$925.00/month</p> |
| <p>Program Monitoring and Data Management:</p> <ul style="list-style-type: none"> • Collect and analyze feedback | <p>Analysis of online surveys such as Survey Monkey, ISF (interest survey forms), culture audits and feedback forms.</p> <p>Incorporate program participants' feedback to modify, update, and adjust class and/or seminar type, size, frequency, or locations to meet the overall program goal of improving employee satisfaction and health condition.</p> <p>Collect and analyze employees' feedback on the existing training program, propose and establish a full range of training and class offerings on an on-going basis to accomplish the program's goals;</p> | <p>\$825.00/month</p> |
| <p>Program Monitoring and Data Management:</p> <ul style="list-style-type: none"> • Implement monitoring system to track participation and facility usage | <p>Electronic and manual participation reporting. Includes tracking of video hits and use of audio podcasts.</p> | <p>\$120/month per site.</p> |
| <p>Program Monitoring and Data Management:</p> <ul style="list-style-type: none"> • Coordinate with SFMTA on staff scheduling and operational coverage | <p>Coordination and scheduling room use for health and wellness events such as classes, informational seminars, cooking demonstrations, health fairs, Weight Management meetings, Walking Program, individual consults and small groups with registered dietician, HRA Days in the Divisions and at 1 SVN.</p> | <p>\$200.00/month</p> |
| <p>Program Monitoring and Data Management:</p> <ul style="list-style-type: none"> • Provide administrative office equipment for vendor usage | <p>Provide administrative office equipment, including office furniture,, dedicated systems of computers, tablets with linking capability, printers, telephones and fax and any other equipment necessary to provide all services described in Appendix A.</p> | <p>\$5000/year</p> |

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| <p>Program Monitoring and Data Management:</p> <ul style="list-style-type: none"> Develop and maintain Blog Site | <ul style="list-style-type: none"> 24/7 programming, hosting and maintenance. Includes elements such as ‘Health Hurrahs’ Blog site, ‘Ask the Expert’, ‘Revamp Your Recipes,’ upcoming events, classes and speakers, and Health and Wellness tips. | \$375/month |
| | <p>Supplemental - Website Re-Design in coordination with new SFMTA Branding program.</p> | \$2,500.00 (one time) |
| <p>Supplemental: Employee Incentives based on a progressive 4 tiered program with the following tenets:</p> <ul style="list-style-type: none"> Participation-based Commitment-based Achievement-based Meaningful Lifestyle change over time | <p>Tiered program addressing the four levels of program involvement with top weighted incentives for those targeted employees achieving greatest gains in health metrics and meaningful lifestyle change with corresponding measurable outcomes.</p> | <p>\$50.00/year per employee \$250,000/year</p> |
| | <p>Incentives to include items and services such as home blood pressure units, juicers, Nike Sport bands, stress reduction tools, gift cards for sports equipment, apparel and shoes (Sports Authority, Big 5, Foot Locker, Nike, etc.), individual gym memberships, family gym memberships, headphones, spa services, massages, lumbar rolls, pedometers, water bottles, fitness products (exercise bands, yoga mats, theraballs, etc.), mini iPads, organic foods, gift cards for Whole Foods, healthful choice dinners, home chef, personal trainer, blocks of outside classes (such as yoga, tai chi, pilates), embroidered team athletic apparel, team sponsorship in 5K walk/run, weekend spa retreats.</p> | N/A |
| <p>Professional Liability/Data Breach Insurance aggregate amount of \$2,000,000</p> | N/A | \$3,500/year |