**City and County of San Francisco**

**Office of Contract Administration**

**Purchasing Division**

**[Insert “First,” “Second,” “Third,” etc.] Amendment**

THIS AMENDMENT (this “Amendment”) is made as of **[insert date]**, in San Francisco, California, by and between **[insert name of Contractor, in bold]** (“Contractor”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Director of the Office of Contract Administration.

RECITALS

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

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to [give a general description of what the Amendment is doing, such as “extend the performance period, increase the contract amount, and update standard contractual clauses”];

**🠞 If this amendment increases the amount originally approved by the Civil Service commission by 50% or more, then insert the following Whereas clause. Otherwise, do not insert it.**

WHEREAS, approval for this Amendment was obtained when the Civil Service Commission approved Contract number **[insert PSC number]** on **[insert date of Civil Service Commission action]**;

WHEREAS, the City’s [name of Commission or Board of Supervisors] approved this Agreement by [insert resolution number] on [insert date of Commission or Board action];

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

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

**1a. Agreement.** The term “Agreement” shall mean the Agreement dated **[insert date of**

**Agreement]** between Contractor and City, as amended by the:

**[First amendment],** dated **[insert date of the first amendment],** and

**[Second amendment],** dated **[insert date of second amendment]**.

**🠞 LIST ALL AMENDMENTS PRIOR TO THIS AMENDMENT.**

**1b. Contract Monitoring Division.** Effective July 28, 2012, with the exception of Sections 14B.9(D) and 14B.17(F), all of the duties and functions of the Human Rights Commission under Chapter 14B of the Administrative Code (LBE Ordinance) were transferred to the City Administrator, Contract Monitoring Division (“CMD”). Wherever “Human Rights Commission” or “HRC” appears in the Agreement in reference to Chapter 14B of the Administrative Code or its implementing Rules and Regulations, it shall be construed to mean “Contract Monitoring Division” or “CMD” respectively.

**1c. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

**2a. Section** **[insert section number].** Section **[insert section number and title]** of the Agreement currently reads as follows:

**🠞 Set forth current text of Section.**

**.**

**.**

**.**

**Such section is hereby amended in its entirety to read as follows:**

**🠞 Set forth revised text of Section.**

**.**

**.**

**.**

**2b. Section** **[insert section number]**. Section **[insert section number and title]** of the Agreement currently reads as follows:

**🠞 Set forth current text of Section.**

**.**

**.**

**.**

**Such section is hereby amended in its entirety to read as follows:**

**🠞 Set forth revised text of Section.**

**.**

**.**

**.**

**.**

**🠞 The following three sections (Distribution of Beverages and Water, Limitations on Contributions and Withholding ) were added to most Model Contracts in April 2019. They are applicable to the P-5 series templates Under some circumstances, they may not apply or be waived. Check instructions on the most recent template, or consult your Deputy City Attorney if there are questions. If you include them with your next Amendment, number them where they sit in the most recent template of what you are amending.**

**2c. Distribution of Beverages and Water .** Section [insert paragraph number] is hereby replaced in its entirety to read as follows: [or “added to the Agreement, as follows:” if needed]

**[#]. Distribution of Beverages and Water.**

**[#]**a. **Sugar-Sweetened Beverage Prohibition.** Contractor agrees that it shall not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Agreement.

**[#]**b. **Packaged Water Prohibition.** Contractor agrees that it shall not sell, provide, or otherwise distribute Packaged Water, as defined by San Francisco Environment Code Chapter 24, as part of its performance of this Agreement.

**2d. Limitations on Contributions.** Section [insert paragraph number] is hereby replaced in its entirety as follows:

**[#]. Limitations on Contributions.** By executing this Agreement, Contractor acknowledges its obligations under section 1.126 of the City’s Campaign and Governmental Conduct Code, which prohibits any person who contracts with, or is seeking a contract with, any department of 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, for a grant, loan or loan guarantee, or for a development agreement, from making any campaign contribution to (i) a City elected official if the contract must be approved by that official, a board on which that official serves, or the board of a state agency on which an appointee of that official serves, (ii) a candidate for that City elective office, or (iii) a committee controlled by such elected official or a candidate for that office, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve months after the date the City approves the contract. 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 10% in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Contractor certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the contract, and has provided the names of the persons required to be informed to the City department with whom it is contracting.

**2e. Withholding.** Section [insert paragraph number] is hereby added to “Taxes” to read as follows:

**[#].**c. Withholding. Contractor agrees that it is obligated to pay all amounts due to the City under the San Francisco Business and Tax Regulations Code during the term of this Agreement. Pursuant to Section 6.10-2 of the San Francisco Business and Tax Regulations Code, Contractor further acknowledges and agrees that City may withhold any payments due to Contractor under this Agreement if Contractor is delinquent in the payment of any amount required to be paid to the City under the San Francisco Business and Tax Regulations Code. Any payments withheld under this paragraph shall be made to Contractor, without interest, upon Contractor coming back into compliance with its obligations.

**🠞 The following version of the Insurance paragraph was incorporated into the August 2014 editions of Model Contracts. Include it in your next amendment to any contract that requires insurance. As always, you may tailor the insurance requirements to the nature of the services rendered with the approval or Risk Management. Consider changes with very large or very small contracts.**

**2f.** **Insurance.** Section [insert paragraph number] is hereby replaced in its entirety to read as follows:

**[#].** **Insurance.**

* + - 1. 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:

**The following types and amounts of insurance are those most commonly required in City contracts, but departments should tailor the types and amounts of insurance to the particular risks of each contractor’s services. For example, if the contractor would deliver fuel, transport hazardous waste, or operate aircraft, higher policy limits and sometimes specific types of coverage would be necessary. Please contact the City’s Risk Manager with any questions related to insurance requirements, and do this early in the contracting process, such as well before a bid or RFP/RFQ is made public.**

**Any reductions below the amount of insurance coverage required, or any waivers of these coverages require the approval of the City’s Risk Manager.**

**It is important to avoid unnecessarily high insurance requirements, which could be a barrier to small businesses and LBEs doing business with the City, as well as inadequate insurance requirements which could leave the City financially vulnerable.**

* + - * 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 and $2,000,000 general aggregate for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

**Use the following paragraph in place of 2) instead ONLY if contractor will provide services for vulnerable clients such as minors and/or the elderly, otherwise remove entirely.**

Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence and $2,000,000 general aggregate for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; policy must include Abuse and Molestation coverage, and

* + - * 1. 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.

**Contractors that must be State-licensed as professionals to perform services, i.e., architects, engineers, certified public accountants, attorneys, brokers, etc., must provide professional liability insurance, also known as errors-and-omissions coverage. If the contractor is such a professional, then include subsection 4) If the contractor is not such a professional, then delete subsection 4).**

* + - * 1. 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 the Services.

**Contractors that are or will provide the following services, must provide Technology Errors and Omissions Liability: Application Service Providers, Computer Consultants/Engineers, Data Processing or Programming, Data Hosting Services, Internet Services, Software Developers and Computer Systems Management or Data Analysis Services. If Contractor provides such services, then include all of subsection 5) below. If the Contractor does not provide such services, then delete subsection 5) (including subsections). NOTE: Limits of insurance may be increased according to the Scope of Work, risk, and amount of contract.**

* + - * 1. Technology Errors and Omissions Liability coverage, with limits of $1,000,000 each occurrence and each loss, and $2,000,000 general 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:

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, protected health information or other personally identifying information, stored or transmitted in electronic form;

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

Liability arising from the introduction of any form of malicious software including computer viruses into, or otherwise causing damage to the City’s or third person’s computer, computer system, network, or similar computer related property and the data, software, and programs thereon.

* + - 1. 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.

**Please consult with Risk Management should Contractor have difficulty providing the following thirty (30) days’ notification endorsement.**

* + - 1. All policies shall be endorsed to provide thirty (30) days’ advance written notice to the City of cancellation for any reason, intended non-renewal, or reduction in coverages. Notices shall be sent to the City address set forth in the Section entitled “Notices to the Parties.”
      2. 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.
      3. 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.
      4. Before commencing any Services, 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. Approval of the insurance by City shall not relieve or decrease Contractor's liability hereunder.

**Include section g. below ONLY IF Contractor is expected to perform the Services on City premises. Seek City Risk Manager approval if Contractor is expected to come onto City premises but is not willing to provide the waiver of subrogation endorsement.**

* + - 1. The Workers’ Compensation policy(ies) 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.
      2. If Contractor will use any subcontractor(s) to provide Services, Contractor shall require the subcontractor(s) to provide all necessary insurance and to name the City and County of San Francisco, its officers, agents and employees and the Contractor as additional insureds.

**You can insert the following subparagraph i. only AFTER a waiver has been granted by the Risk Manager.**

* + - 1. Notwithstanding the foregoing, the following insurance requirements are waived or modified in accordance with the terms and conditions stated in Appendix C**[or other if applicable]** Insurance.

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**🠞 The following paragraphs were added to all Model Contracts in July 2014. It is applicable to the P-500, P-530, and P-542 Contracts, replacing the Earned Income Credit (EIC) Forms Section, which is no longer in effect. Under some circumstances, this section may not apply or be waived. Check instructions on the most recent template, or consult your Deputy City Attorney if there are questions. If you include it with your next Amendment, number it where the EIC (Sections 32, 26, and 36 respectively) was.**

**2g. Replacing “Earned Income Credit (EIC) Forms” Section with “Consideration of Criminal History in Hiring and Employment Decisions” Section.** Section [insert paragraph number] “Earned Income Credit (EIC) Forms” is hereby replaced in its entirety to read as follows:

**[#]. Consideration of Criminal History in Hiring and Employment Decisions.**

a. Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12T “City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions,” of the San Francisco Administrative Code (Chapter 12T), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at www.sfgov.org/olse/fco. A partial listing of some of Contractor’s obligations under Chapter 12T is set forth in this Section. Contractor is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12T.

b. The requirements of Chapter 12T shall only apply to a Contractor’s or Subcontractor’s operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, shall apply only when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco, and shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

c. Contractor shall incorporate by reference in all subcontracts the provisions of Chapter 12T, 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.

d. Contractor or Subcontractor shall not inquire about, require disclosure of, or if such information is received, base an Adverse Action on an applicant’s or potential applicant for employment’s, or employee’s: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

e. Contractor or Subcontractor shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection [XX](d), above. Contractor or Subcontractor shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

f. Contractor or Subcontractor shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment to be performed under this Agreement, that the Contractor or Subcontractor will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

g. Contractor and Subcontractors shall post the notice prepared by the Office of Labor Standards Enforcement (OLSE), available on OLSE’s website, in a conspicuous place at every workplace, job site, or other location under the Contractor or Subcontractor’s control at which work is being done or will be done in furtherance of the performance of this Agreement. The notice shall be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the workplace, job site, or other location at which it is posted.

h. Contractor understands and agrees that if it fails to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T, including but not limited to, a penalty of $50 for a second violation and $100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Agreement.

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**🠞 This section applies only if you are amending the 5-09 or 5-10 edition of the Equipment Lease Agreement (P-520).**

**2h**. **Indemnification.** Section 17 is hereby replaced in its entirety to read as follows:

**17. Indemnification**. Lessor 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 Lessor or loss of or damage to property, arising directly or indirectly from Lessor's performance of this Agreement, including, but not limited to, Lessor'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 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 Lessor, 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 Lessor’s obligation to indemnify City, Lessor 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 Lessor by City and continues at all times thereafter. Lessor shall indemnify and hold City harmless from all loss and liability, including attorney's 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 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.

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**🠞 The following version of the First Source Hiring Program paragraph was incorporated into the May 2009 editions of the P-500, P-501, P-542, and the G-100. If you are amending one of those, *and* if the contract amount as amended exceeds $50,000, then include this paragraph. Otherwise, do not include it.**

**2i. First Source Hiring Program.** Section [insert paragraph number] is hereby replaced in its entirety to read as follows:

**[#]. First Source Hiring Program**

* + - 1. **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.

* + - 1. **First Source Hiring Agreement.**

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

* + - * 1. Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs may be certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.
        2. Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.
        3. Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.
        4. Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.
        5. Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.
        6. Set the term of the requirements.
        7. Set appropriate enforcement and sanctioning standards consistent with this Chapter.
        8. Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.
        9. Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.
      1. **Hiring Decisions.**

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

* + - 1. **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.

* + - 1. **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:

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

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.

* + - * 1. 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.

* + - 1. **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.

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**🠞 The following version of the Limitations on Contributions paragraph was incorporated into the May 2009 editions of the City’s Model Contracts. If you are amending a contract with a revision date of April 2007 or earlier, then add the following paragraph if you have not already done so in a prior amendment.**

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**🠞 The following paragraph was added to all Model Contracts in May 2009. Include it with your next Amendment, making the new final paragraph in the contract.**

**2j.** **Cooperative Drafting.** Section [insert paragraph number] is hereby added to the Agreement, as follows:

**[#]. 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.

**3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after **[specify either “the date of this Amendment” or other effective date].**

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

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

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| --- | --- |
| **CITY**  Recommended by:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **[name]**  **[title]**  **[department]**  Approved as to Form:  Dennis J. Herrera  City Attorney  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **[name of Deputy City Attorney]**  Deputy City Attorney  Approved:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Alaric Degrafinried  Director of the Office of Contract Administration, and Purchaser | **CONTRACTOR**  **[company name]**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **[name of authorized representative]**  **[title]**  **[optional: address]**  **[optional: city, state, ZIP]**  City vendor number: **[vendor number]** |

**🠞 Be sure to tweak the page numbering in the footer.**