

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

55577
03-1362

I. PARTIES

A. Address

THIS AGREEMENT FOR BAGGAGE HANDLING AND AIRCRAFT SUPPORT SYSTEMS MAINTENANCE AND OPERATIONS SERVICES FOR THE HOUSTON AIRPORT SYSTEM AT GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON (IAH), AND WILLIAM P. HOBBY AIRPORT (HOU) ("Agreement") is made on the date of countersignature by the City Controller ("Effective Date") between the **CITY OF HOUSTON, TEXAS** ("City"), a municipal corporation, and **WORLDWIDE FLIGHT SERVICES, INC.** ("Contractor"), a Delaware corporation doing business in Texas.

The initial addresses of the parties, which one party may change by giving written notice to the other party, are as follows:

<u>City</u>	<u>Contractor</u>
Director, Houston Airport System or Designee City of Houston P.O. Box 60106 Houston, Texas 77205-01061	President Worldwide Flight Services, Inc. 1925 W. John Carpenter Freeway Suite 450 Irving, Texas 75063

The Parties agree as follows:

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EXHIBITS

A. PERFORMANCE/WORK STATEMENT

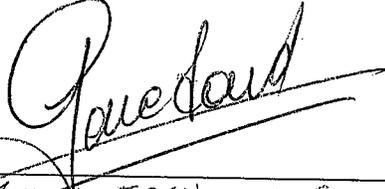
E. Signatures

The Parties have executed this Agreement in multiple copies, each of which is an original.

ATTEST/SEAL (if a corporation):
WITNESS (if not a corporation):

WORLDWIDE FLIGHT SERVICES, INC.

By: 
Name: James Enright
Title: Sr VP Human Resources
& Asst Secretary

By: 
Name: JEAN-FRANCOIS GOEDARD
Title: President & CEO
Tax Identification No. 75-1932711

ATTEST/SEAL:

CITY OF HOUSTON, TEXAS

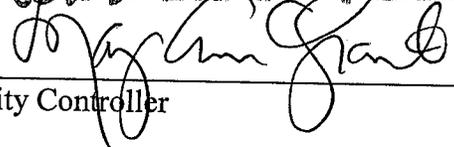

City Secretary

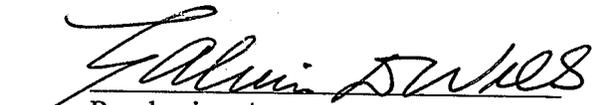
Signed by: 

Mayor 

APPROVED:

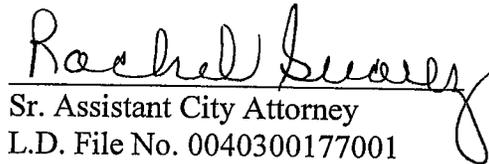
COUNTERSIGNED BY:


City Controller


Purchasing Agent

APPROVED AS TO FORM:

DATE COUNTERSIGNED:


Sr. Assistant City Attorney
L.D. File No. 0040300177001



Contractor is defined in Article I of this Agreement and includes its successors and assigns.

Deferred Maintenance means that type of preventive maintenance that can be delayed without damage to the system, instrumentation, controls and equipment or compromise of safety standards.

Director means the Director of the Houston Airport System or his designee. This Agreement designates certain functions to be performed by the Director. For the purposes of this Agreement those functions are assigned to the Assistant Director of Aviation, Technical Services Division. The Assistant Director of Aviation, Technical Service Division may delegate certain functions to other HAS employees with the approval of the Director.

Equipment means an assembly of components for a defined function.

Equipment Failure means equipment not capable of being repaired due to wear/damage resulting from normal or catastrophic causes.

Expendable Items are those items normally required during scheduled maintenance. The items are either consumed during use, used up during repeated use, or are not reusable after one usage. They typically include, but are not limited to, oils, lubricants, filters, gaskets, cleaning agents, paints, brooms, brushes, light bulbs, etc.

First Class Condition refers to the quality of systems, parts, equipment and related components and appurtenances including replacements ("elements"). It also refers to the condition of the wear and operation of the elements. When referring to the quality of the elements, First Class Condition means of a quality equal to or better than the elements as originally installed. When referring to the wear and operation of the elements, First Class Condition means a standard that is within the manufacture's published tolerances for safe, reliable operation, or if no published tolerances, within generally accepted tolerances within the baggage handling and aircraft support systems maintenance and operations services industry.

Furnish except as otherwise defined in greater detail, the term "furnish" is used to mean supply and deliver to Project Site, ready for unloading, unpacking, assembly, installation, etc., as applicable in each instance.

Gate Control means the individuals designated to allocate Hardstand positions to arriving flights.

Hardstand means a satellite concrete ramp/apron area used for aircraft loading, unloading, and ground service.

Help Vehicle means an enclosed hydraulic lift vehicle equipped for use in the boarding/deplaning and transport of incapacitated passengers, i.e. wheelchairs, or stretcher bound.

RM means Remedial Maintenance - repair of equipment and systems with parts, materials, and labor to restore performance to the designed function in the event of any breakdown or stoppage of equipment or system where the equipment or system is unable to perform its designed function. RM includes repairs and replacement of related components, parts, and appurtenances that have failed, no longer perform reliably, or have worn beyond safe tolerances.

Rebuilt Parts mean used parts that have been dismantled and reconstructed as necessary; all internal parts are cleaned and free from rust and corrosion; all impaired, defective, or substantially worn parts are restored to a sound condition or replaced with new, rebuilt, or unimpaired used parts; all missing components are replaced with new, rebuilt or unimpaired used parts; and such other operations are performed as necessary to put the product in sound working condition. Rebuilt Parts must meet or exceed original manufacturer's specifications.

Repair means to restore to good or sound working condition.

Replacement Equipment means equipment of similar capacity to existing equipment provided when the primary equipment is out of service.

Replacement Parts mean any item which by its installation becomes part of the Baggage Handling Systems and Aircraft Support Systems equipment.

Upgrade means to modify or replace existing equipment in order to achieve a specified objective or the latest state-of-the-art configuration or both.

Work means all services to be provided by the Contractor as defined by the specifications herein.

III. DUTIES OF CONTRACTOR

A. Scope of Services

In consideration of the payment specified in this Agreement, Contractor shall provide all management, labor, supervision, parts, equipment, materials, diagnostics, repairs, consumables, tools, instruments, reports, transportation, insurance, subcontracts, bonds, incidentals and all other related services and equipment necessary to perform Basic Services and, if requested, Other Work/Services described in the Performance/Work Statement set forth in Exhibit "A" for the Baggage Handling and Aircraft Support Systems Maintenance and Operations at HOU and IAH. Contractor shall not be paid for travel time to and from the job site.

TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE CITY'S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE CITY'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY.

G. INDEMNIFICATION

CONTRACTOR AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:

- (1) CONTRACTOR'S AND/OR ITS AGENTS', EMPLOYEES', OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' (COLLECTIVELY IN NUMBERED PARAGRAPHS 1-3, "CONTRACTOR") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;
- (2) THE CITY'S AND CONTRACTOR'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT; AND
- (3) THE CITY'S AND CONTRACTOR'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT.

CONTRACTOR SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THE AGREEMENT TERMINATES. CONTRACTOR'S INDEMNIFICATION IS LIMITED TO \$1,000,000 PER OCCURRENCE. CONTRACTOR SHALL NOT INDEMNIFY THE CITY FOR THE CITY'S SOLE NEGLIGENCE.

CONTRACTOR SHALL REQUIRE ALL OF ITS SUBCONTRACTORS (AND THEIR SUBCONTRACTORS) TO RELEASE AND INDEMNIFY THE CITY TO THE

- (b) the basis on which indemnification may be due, and
- (c) the anticipated amount of the indemnified loss.

This notice does not estop or prevent the City from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If the City does not provide this notice within the 10 day period, it does not waive any right to indemnification except to the extent that Contractor is prejudiced, suffers loss, or incurs expense because of the delay.

(2) Defense of Claims

- (a) Assumption of Defense. Contractor may assume the defense of the claim at its own expense with counsel chosen by it that is reasonably satisfactory to the City. Contractor shall then control the defense and any negotiations to settle the claim. Within 10 days after receiving written notice of the indemnification request, Contractor must advise the City as to whether or not it will defend the claim. If Contractor does not assume the defense, the City shall assume and control the defense, and all defense expenses constitute an indemnification loss.
- (b) Continued Participation. If Contractor elects to defend the claim, the City may retain separate counsel to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations. Contractor may settle the claim without the consent or agreement of the City, unless it (i) would result in injunctive relief or other equitable remedies or otherwise require the City to comply with restrictions or limitations that adversely affect the City, (ii) would require the City to pay amounts that Contractor does not fund in full, (iii) would not result in the City's full and complete release from all liability to the plaintiffs or claimants who are parties to or otherwise bound by the settlement.

J. Insurance

Contractor shall maintain in effect certain insurance coverage, which is described as follows:

- (1) Risks and Limits of Liability. Contractor shall maintain the following coverages and limits of liability:

- (6) Cancellation. Each policy must state that it may not be canceled, materially modified, or nonrenewed unless the insurance company gives the Director 30 days' advance written notice. Contractor shall give written notice to the Director within five days of the date on which total claims by any party against Contractor reduce the aggregate amount of coverage below the amounts required by this Agreement. In the alternative, the policy may contain an endorsement establishing a policy aggregate for the particular project or location subject to this Agreement.
- (7) Subrogation. Each policy must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the City, its officers, agents, or employees.
- (8) Endorsement of Primary Insurance. Each policy, except Workers' Compensation and Professional Liability (if any), must contain an endorsement that the policy is primary to any other insurance available to the Additional Insured with respect to claims arising under this Agreement.
- (9) Liability for Premium. Contractor shall pay all insurance premiums, and the City shall not be obligated to pay any premiums.
- (10) Subcontractors. Contractor shall require all subcontractors to carry insurance naming the City as an additional insured and meeting all of the above requirements except amount. The amount must be commensurate with the amount of the subcontract, but in no case less than \$500,000 per occurrence. Contractor shall provide copies of insurance certificates to the Director.
- (11) Proof of Insurance.
 - (a) On the Effective Date and at any time during the Term of this Agreement, Contractor shall furnish the Director with Certificates of Insurance, along with an Affidavit from Contractor confirming that the Certificates accurately reflect the insurance coverage maintained. If requested in writing by the Director, Contractor shall furnish the City with certified copies of Contractor's actual insurance policies.
 - (b) Contractor shall continuously and without interruption, maintain in force the required insurance coverages specified in this Section. If Contractor does not comply with this requirement, the Director, at his or her sole discretion, may
 - (1) immediately suspend Contractor from any further performance under this Agreement and begin procedures to terminate for default, or

extensions. Contractor shall not be entitled to any additional compensation for the management and enforcement of these manufacturer warranties. If Contractor does not exhaust all remedies, including litigation, against a manufacturer who fails to honor all or a part of a warranty, it shall not receive additional compensation from the City for the labor and material costs it incurs to repair or replace the item that otherwise would have been under warranty.

L. Year 2000 Operational Capability

- (1) Contractor warrants that the System(s) and related Software it provides under this Agreement will be "Year 2000 Compliant", which means that the System(s) and related Software will:
 - (a) accurately record, store, process, calculate, and present calendar dates falling on, after, and including January 1, 2000, and will calculate any information dependent on or relating to these dates in the same manner, and with the same functionality, data integrity, and performance as the System(s) and related Software would record, store, process, calculate, and present calendar dates on or before December 31, 1999, or calculate any information dependent on or relating to these dates;
 - (b) not lose any functionality with respect to the introduction of records containing dates falling on, after, and including January 1, 2000;
 - (c) be interoperable with other system(s) or software the City uses that may deliver records to the System(s) and related Software, receive records from them, or interact with them, including but not limited to back-up and archived data; and
 - (d) recognize and accurately process Leap Year dates.
- (2) For the purposes of this Section, the phrase "System(s) and related Software" means (i) any computer hardware or software provided by Contractor or (ii) any Systems provided by Contractor which include microprocessor-based components, which are known as "embedded systems". "Embedded systems" include, but are not limited to, environmental control systems, elevator control systems, and process control instrumentation. The types of microprocessor-based components which may be included within an "embedded system" include, but are not limited to, programmable logic controllers, EPROMs, BIOS chips, and interface cards.

M. Confidentiality

Contractor and its agents, employees, contractors, and subcontractors shall hold all City information, data, and documents (collectively, "the Information") that they receive, prepare, or to which they have access, in strictest confidence. Contractor, its agents, employees, contractors, and subcontractors shall not disclose, disseminate, or use the Information unless the Director authorizes it in writing. Contractor shall establish procedures to ensure confidentiality of the Information and to prevent its unauthorized use and disclosure. Contractor shall obtain written agreements from its agents, employees, contractors, and subcontractors who perform work under this Agreement, which bind them to the terms in this paragraph.

N. Conflicts of Interest

If an actual or potential conflict arises between the City's interests and the interests of other clients Contractor represents, Contractor shall immediately notify the Director by fax transmission, e-mail, or telephone. If the Director consents to Contractor's continued representation of the other clients, he or she shall notify Contractor in writing. If the Director does not issue written consent within 3 business days after receipt of Contractor's notice, Contractor shall immediately terminate its representation of the other client whose interests are or may be in conflict with those of the City.

O. Use of Work Products

Contractor conveys and assigns to the City its entire interest and full ownership worldwide in and to any work, invention, and all Documents, and the copyrights, patents, trademarks, trade secrets, and any other proprietary rights therein (collectively "Proprietary Rights") that Contractor, its agents, employees, contractors, and subcontractors (collectively "Authors") develop, write, or produce under this Agreement (collectively "Works").

The Authors shall not claim or exercise any Proprietary Rights related to the Works. If requested by the Director, Contractor shall place a conspicuous notation on any Works which indicates that the City owns the Proprietary Rights.

Contractor shall execute all documents required by the Director to further evidence this assignment and ownership. Contractor shall cooperate with the City in registering, creating, and enforcing Proprietary Rights arising under this Agreement. If Contractor's assistance is requested and rendered under this Section, the City shall reimburse Contractor for all out-of-pocket expenses it incurs in rendering assistance, subject to the availability of funds. On termination of this Agreement, or if requested by the Director, Contractor shall deliver all

- (1) subcontracts and supply agreements with Minority Business Enterprises,
- (2) subcontracts and supply agreements with Women's Business Enterprises, and
- (3) specific efforts to identify and award subcontracts and supply agreements to MWBEs. Contractor shall submit periodic reports of its efforts under this Section to the Affirmative Action Director in the form and at the times he or she prescribes.

Contractor shall require written subcontracts with all MWBE subcontractors and suppliers and shall submit all disputes with MWBE subcontractors to binding arbitration if directed to do so by the Affirmative Action Director. All agreements must contain the terms set out in Exhibit "D." If Contractor is an individual person (as distinguished from a corporation, partnership, or other legal entity), and the amount of the subcontract is \$50,000 or less, then the subcontract must also be signed by the attorneys of the respective parties.

T. Performance Bond

Contractor shall furnish and maintain a performance bond for \$350,000 conditioned on Contractor's full and timely performance of the Agreement (and payment of subcontractors). If the City exercises any option years, Contractor shall maintain a Performance Bond in the amount of \$350,000 for each of the option years exercised. The bond must be in substantially the form attached as Exhibit "E" and issued by a corporate surety authorized and admitted to write surety bonds in Texas. If the amount of the bond exceeds \$100,000, the surety must be listed on the current list of accepted sureties on federal bonds published by the United States Treasury Department or reinsured for any liability in excess of \$100,000 by a reinsurer listed on the U.S. Treasury list.

U. Drug Abuse Detection and Deterrence

- (1) It is the policy of the City to achieve a drug-free workforce and workplace. The manufacture, distribution, dispensation, possession, sale, or use of illegal drugs or alcohol by contractors while on City Premises is prohibited. Contractor shall comply with all the requirements and procedures set forth in the Mayor's Drug Abuse Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31 ("Executive Order"), which is incorporated into this Agreement and is on file in the City Secretary's Office.
- (2) Before the City signs this Agreement, Contractor shall file with the Contract Compliance Officer for Drug Testing ("CCODT"),

- (e) the Toxic Substances Control Act, 15 U.S.C., Section 2601 et seq.;
- (f) the Clean Air Act as amended, 42 U.S.C. 7401 et seq.;
- (g) the Clean Water Act, 33 U.S.C., Section 1251, et seq.;
- (h) the Hazardous Materials Transportation Act, 49 U.S.C., Section 1801 et seq.;
- (i) the Resources Conservation and Recovery Act, 42 U.S.C., Section 6901 et seq.;

and those substances defined as hazardous waste or as hazardous substances under the laws of Texas and/or the United States or in regulations promulgated under these laws (collectively, "Environmental Laws").

(2) Within 10 days of receipt of an invoice, Contractor shall reimburse the City for any fines or penalties that may be levied against the City by the Environmental Protection Agency, the Texas Commission on Environmental Quality, or any other governmental agency for Contractor's (or its agents' and employees') failure to comply with the Environmental Laws.

(3) Contractor shall not possess, use, generate, release, discharge, store, dispose of, or transport any Hazardous Materials on, under, in, above, to or from the Airport, or any other areas or facilities subject to this Agreement, except in strict compliance with the Environmental Laws. "Hazardous Materials" include:

- (a) all substances, materials, wastes, pollutants, oils, or governmentally regulated substances or contaminants defined or designated as hazardous, toxic, radioactive, dangerous, or any other similar term in or under any of the Environmental Laws,
- (b) asbestos and asbestos-containing materials, petroleum products including crude oil or any fraction thereof, gasoline, aviation fuel, jet fuel, diesel fuel, lubricating oils and solvents, urea formaldehyde, flammable explosives, PCBs, radioactive materials or waste, or
- (c) any other substance that, because of its quantity, concentration, physical, chemical, or infectious characteristics may cause or threaten a present or potential hazard to human health or the environment when improperly generated, used, stored, handled, treated, discharged, distributed, disposed of, or released.

(4) The Airport is subject to the National Pollution Discharge Elimination System Program ("NPDES"), and the regulations, 40 CFR Part 122, relating to stormwater discharges, for operations at the Airport. Contractor is familiar with these NPDES stormwater regulations, and shall conduct operations in accordance with 40 CFR Part 122, as amended from time to time. Contractor

(a) ANY INVESTIGATION, MONITORING, CLEANUP, CONTAINMENT, REMOVAL, STORAGE, OR RESTORATION WORK PERFORMED BY THE CITY OR A THIRD PARTY DUE TO CONTRACTOR'S, ITS EMPLOYEES', OR AGENTS' USE OR PLACEMENT OF HAZARDOUS MATERIALS (OF WHATEVER KIND OR NATURE, KNOWN OR UNKNOWN) ON THE AIRPORT PREMISES, OR ANY OTHER AREAS IMPACTED BY THIS AGREEMENT;

(b) ANY ACTUAL, THREATENED, OR ALLEGED HAZARDOUS MATERIALS CONTAMINATION OF THE AIRPORT PREMISES BY CONTRACTOR, ITS EMPLOYEES, OR AGENTS;

(c) THE DISPOSAL, RELEASE, OR THREATENED RELEASE OF HAZARDOUS MATERIALS BY CONTRACTOR, ITS EMPLOYEES, OR AGENTS AT THE AIRPORT THAT AFFECTS THE SOIL, AIR, WATER, VEGETATION, BUILDINGS, PERSONAL PROPERTY, OR PERSONS;

(d) ANY PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE (REAL OR PERSONAL) ARISING OUT OF OR RELATED TO HAZARDOUS MATERIALS USE BY CONTRACTOR, ITS EMPLOYEES, OR AGENTS AT THE AIRPORT; OR

(e) ANY VIOLATION BY CONTRACTOR, ITS EMPLOYEES, OR AGENTS OF ANY ENVIRONMENTAL LAWS.

THIS INDEMNITY IS NOT APPLICABLE TO LOSSES, CLAIMS, PENALTIES, FINES, SETTLEMENTS, LIABILITIES, AND EXPENSES THAT RESULT FROM CONDITIONS EXISTING ON THE EFFECTIVE DATE OF THIS AGREEMENT.

W. Airport Security

Contractor shall comply with all HAS, TSA, FAA and any other governmental agency security directives, rules and regulations. The FAA and/or the TSA may assess fines and/or penalties for Contractor's non-compliance with the provisions of 49 CFR 1540 and 1542, as amended from time to time, or by other agencies for noncompliance with laws or regulations applicable to Contractor's operations. Within 10 days of notification in writing, Contractor shall reimburse the City for any fine or penalty assessed against the City because of Contractor's non-compliance with 49 CFR 1540 and 1542 or other applicable laws or regulations.

X. Maintenance Audit

- (1) At any time during the term of this Agreement or any extensions, the Director, without notice to the Contractor and at HAS' expense, may provide for a third party maintenance audit. Contractor shall rectify any deficiencies in performance discovered by such audit for which Contractor is responsible to the Director's satisfaction at no cost to the City within 10 days of receipt of a notice of any deficiency. Further, the Contractor shall provide the Director with a written

B. Taxes

The City is exempt from payment of Federal Excise and Transportation Tax and Texas Limited Sales and Use Tax. Contractor's invoices to the City must not contain assessments of any of these taxes. The Director will furnish the City's exemption certificate and federal tax identification number to Contractor if requested.

C. Method of Payment - Disputed Payments

If the City disputes any items in an invoice Contractor submits for any reason, including lack of supporting documentation, the Director shall temporarily delete the disputed item and pay the remainder of the invoice. The Director shall promptly notify Contractor of the dispute and request remedial action. After the dispute is settled, Contractor shall include the disputed amount on a subsequent regularly scheduled invoice or on a special invoice for the disputed item only.

D. Limit of Appropriation

- (1) The City's duty to pay money to Contractor for any purpose under this Agreement is limited in its entirety by the provisions of this Section.
- (2) In order to comply with Article II, Sections 19 and 19a of the City's Charter and Article XI, Section 5 of the Texas Constitution, the City has appropriated and allocated the sum of \$1,341,531.92 to pay money due under this Agreement (the "Original Allocation"). The executive and legislative officers of the City, in their discretion, may allocate supplemental funds for this Agreement, but they are not obligated to do so. Therefore, the parties have agreed to the following procedures and remedies.
- (3) The City makes a supplemental allocation by sending a notice signed by the Director and the City Controller to Contractor and, where in excess of the amount specified in Paragraph (4) below, approved by motion or ordinance of City Council in substantially the following form:

"NOTICE OF SUPPLEMENTAL ALLOCATION OF FUNDS"

TO: [Name of Contractor]

FROM: City of Houston, Texas (the "City")

DATE: [Date of notice]

Contractor shall furnish the services or deliverables in the Change Order in accordance with the requirements of this Agreement plus any special provisions, specifications, or special instructions issued to execute the extra work.

- (2) The Director will issue the Change Order in substantially the following form:

CHANGE ORDER

TO: [Name of Contractor]
FROM: City of Houston, Texas (the "City")
DATE: [Date of Notice]
SUBJECT: Change Order under the Agreement between the City and [Name of Contractor] countersigned by the City Controller on [Date of countersignature of the Agreement]

Subject to all terms and conditions of the Agreement, the City requests that Contractor provide the following:

[Here describe the additions to or changes to the equipment or services and the Change Order Charges applicable to each.]

Signed:

[Signature of Director]

- (3) The Director may issue more than one Change Order, subject to the following limitations:
- (a) Council expressly authorizes the Director to approve a Change Order up to \$25,000. A Change Order in excess of \$25,000 must be approved by the City Council.
 - (b) If a Change Order describes items that Contractor is otherwise required to provide under this Agreement, the City is not obligated to pay any additional money to Contractor.

B. Renewals

If the Director, at his or her sole discretion, gives written notice of renewal to Contractor at least 30 days before expiration of the then-current term and subject to the limit of appropriation in Section IV(D) then, upon expiration of the initial term, this Agreement is renewed for up to 2 successive one-year terms under the same terms and conditions.

C. Termination for Convenience by City

The Director may terminate this Agreement at any time by giving 30 days written notice to Contractor. The City's right to terminate this Agreement for convenience is cumulative of all rights and remedies which exist now or in the future.

On receiving the notice, Contractor shall, unless the notice directs otherwise, immediately discontinue all services under this Agreement and cancel all existing orders and subcontracts that are chargeable to this Agreement. As soon as practicable after receiving the termination notice, Contractor shall submit an invoice showing in detail the services performed under this Agreement up to the termination date. The City shall then pay the fees to Contractor for services actually performed, but not already paid for, in the same manner as prescribed in Section IV(A) unless the fees exceed the allocated funds remaining under this Agreement.

TERMINATION OF THIS AGREEMENT AND PAYMENT FOR SERVICES RENDERED ARE CONTRACTOR'S ONLY REMEDIES FOR THE CITY'S TERMINATION FOR CONVENIENCE, WHICH DOES NOT CONSTITUTE A DEFAULT OR BREACH OF THIS AGREEMENT. CONTRACTOR WAIVES ANY CLAIM (OTHER THAN ITS CLAIM FOR PAYMENT AS SPECIFIED IN THIS SECTION), IT MAY HAVE NOW OR IN THE FUTURE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM THE CITY'S TERMINATION FOR CONVENIENCE.

C. Termination for Cause by City

If Contractor defaults under this Agreement, the Director may either terminate this Agreement or allow Contractor to cure the default as provided below. The City's right to terminate this Agreement for Contractor's default is cumulative of all rights and remedies which exist now or in the future. Default by Contractor occurs if:

- (1) Contractor fails to perform any of its duties under this Agreement;
- (2) Contractor becomes insolvent;

B. Force Majeure

1. Timely performance by both parties is essential to this Agreement. However, neither party is liable for reasonable delays in performing its obligations under this Agreement to the extent the delay is caused by Force Majeure that directly impacts the City or Contractor. The event of Force Majeure may permit a reasonable delay in performance but does not excuse a party's obligations to complete performance under this Agreement. Force Majeure means: fires, interruption of utility services, epidemics in the City, floods, hurricanes, tornadoes, ice storms and other natural disasters, explosions, war, terrorist acts against the City or Contractor, riots, court orders, and the acts of superior governmental or military authority, and which the affected party is unable to prevent by the exercise of reasonable diligence. The term does not include any changes in general economic conditions such as inflation, interest rates, economic downturn or other factors of general application; or an event that merely makes performance more difficult, expensive or impractical. Force Majeure does not entitle Contractor to extra Reimbursable Expenses or payment.
2. This relief is not applicable unless the affected party does the following:
 - (a) uses due diligence to remove the effects of the Force Majeure as quickly as possible and to continue performance notwithstanding the Force Majeure; and
 - (b) provides the other party with prompt written notice of the cause and its anticipated effect.
3. The Director will review claims that a Force Majeure that directly impacts the City or Contractor has occurred and render a written decision within 14 days. The decision of the Director is final.
4. The City may perform contract functions itself or contract them out during periods of Force Majeure. Such performance is not a default or breach of this Agreement by the City.
5. If the Force Majeure continues for more than 7 days from the date performance is affected, the Director may terminate this Agreement by giving 7 days' written notice to Contractor. This termination is not a default or breach of this Agreement. **CONTRACTOR WAIVES ANY CLAIM IT MAY HAVE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM THE TERMINATION EXCEPT FOR AMOUNTS DUE UNDER THE AGREEMENT UP TO THE TIME THE WORK IS HALTED DUE TO FORCE MAJEURE.**

G. Notices

All notices required or permitted by this Agreement must be in writing and are deemed delivered on the earlier of the date actually received or the third day following: (1) deposit in a United States Postal Service post office or receptacle; (2) with proper postage (certified mail, return receipt requested); and (3) addressed to the other party at the address set out in the preamble of this Agreement or at such other address as the receiving party designates by proper notice to the sending party.

H. Captions

Captions contained in this Agreement are for reference only, and, therefore, have no effect in construing this Agreement. The captions are not restrictive of the subject matter of any section in this Agreement.

I. Non-Waiver

If either party fails to require the other to perform a term of this Agreement, that failure does not prevent the party from later enforcing that term and all other terms. If either party waives the other's breach of a term, that waiver does not waive a later breach of this Agreement.

An approval by the Director, or by any other employee or agent of the City, of any part of Contractor's performance does not waive compliance with this Agreement or establish a standard of performance other than that required by this Agreement and by law.

J. Inspections and Audits

Representatives of the City have the right to perform, or to have performed, (1) audits of Contractor's books and records, and (2) inspections of all places where work is undertaken in connection with this Agreement. Contractor shall keep its books and records available for this purpose for at least 4 years after this Agreement terminates. This provision does not affect the applicable statute of limitations.

K. Enforcement

The City Attorney or his or her designee may enforce all legal rights and obligations under this Agreement without further authorization. Contractor shall provide to the City Attorney all documents and records that the City Attorney requests to assist in determining Contractor's compliance with this Agreement, with the exception of those documents made confidential by federal or State law or regulation.

R. Dispute Resolution

For purposes of this Section "Project Administrator" means the person the Director designates to monitor the progress of all Parties' performance under this Agreement.

Except as may otherwise be provided by law, a dispute that (1) does not involve a question of law; (2) arises during the performance of this Agreement; and (3) is not resolved between the Project Administrator and Contractor must be handled as described below:

- (a) The Project Administrator shall put its decision in writing and mail or otherwise furnish Contractor with a copy. Contractor may abide by the decision or may appeal the decision to the Director.
- (b) If Contractor desires to appeal a decision of the Project Administrator, Contractor must submit a written appeal to the Director. Contractor must file its written appeal within 7 working days following receipt of the Project Administrator's original decision. The Director shall provide Contractor with a written response to the appeal within 14 working days following its receipt. The decision of the Director is final.

S. Remedies Cumulative

Unless otherwise specified elsewhere in this Agreement, the rights and remedies contained in this Agreement are not exclusive, but are cumulative of all rights and remedies which exist now or in the future. Neither party may terminate its duties under this Agreement except in accordance with its provisions.

EXHIBIT "A"
PERFORMANCE WORK STATEMENT

Exhibit "A"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
for Houston Airport System
Performance Work Statement

SECTION 1

SCOPE OF SERVICES

1.0 GENERAL

For and in consideration of the payment specified in this Agreement, Contractor shall provide complete maintenance and operation of existing Baggage Handling Systems as described in Exhibit B - Part 1, and Aircraft Support Systems as described in Exhibit B - Part 2, and additional systems as they are brought on line; Contractor shall provide Hardstand Operations as defined in Attachment "A." Contractor shall provide a Computerized Maintenance Management System (CMMS), and perform certain administrative tasks. Pricing is a flat monthly fee for each functional element for each Airport per the Fee Schedule. The work provided by Contractor under the Agreement includes Basic Services and Other Work/Services.

1.1 BASIC SERVICES – BAGGAGE HANDLING & AIRCRAFT SUPPORT SYSTEMS

Basic Services include, but are not limited to, all management, supervision, labor, parts/materials/consumables (except as provided by HAS per Sections 1.1.1.D and 1.1.2.D), equipment, diagnostics, lubricants, tools, instruments, reports, transportation, insurance, sub-contracts, bonds, incidentals, and all such other related services and such other associated electrical, mechanical, pneumatic, hydraulic services for equipment and appurtenances as required to maintain safety, maximum operational efficiency, and to ensure units are maintained in First Class Condition with a 99% In-Service Rate (ISR) achieved in Contractor's first 90 days of full operation and a 99.5% In-Service Rate maintained throughout the balance of the Term of the Agreement.

Contractor shall provide complete PM and RM in accordance with approved OEM maintenance procedures, codes, and acceptable maintenance practices in order to maintain Baggage Handling and Aircraft Support Systems in First Class Condition. Maintenance shall include regular inspections, tests, scheduled service routines, detection and correction of potential failures, replacement of parts that fail due to improper maintenance or lack of maintenance, parts cleaning, lubricating, and adjusting of systems as required to accomplish the Work.

- A. Basic Services includes replacement of failed or defective equipment and components with the exception of failures resulting from Force Majeure and those items covered by Other Work/Services.

Exhibit "A"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
for Houston Airport System
Performance Work Statement

1.1.1 Baggage Handling Systems

- A. Hours of Operation are as follows:
- IAH: 24 hours per day, 7 days per week, with PM performed between the hours of 12:00 midnight and 6:00 a.m.
 - HOU: 5:00 a.m. to 11:30 p.m. 7 days per week. PM shall be performed during regularly scheduled hours with the exception of semi-annual and annual inspections which are done after normal scheduled hours.
- B. Baggage Handling Systems maintained under this Agreement include, but are not limited to:
1. All mechanical and electrical systems associated with Baggage Handling Systems, including conveyor lines, cables, motors, fans, alarms, belts, indicator lights, security doors, safety lockout systems, etc.
 2. All instrumentation, switches, and appurtenances located in facilities housing the Baggage Handling Systems that are directly related to the operation of this system and related equipment.
 3. All system computers and software.
- C. Contractor is responsible for clearing bag jams caused by electrical/mechanical failure or bags entrapped in the system.
- D. HAS will pay for the following parts via OSR:
- Conveyor belts
 - power turns
 - electric motors/gearboxes

Exhibit "A"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
for Houston Airport System
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- D. HAS will pay for the following parts via OSR:
- Tires, wheels
 - Frames, chassis, Internal structural members
 - Roof panels
 - Flooring, carpeting
 - PCA compressors/coils, PCA hoses and connections
 - Electric motors
 - Steam cleaning, painting
 - Repair or replacement of 400Hz. nose-pieces, 400 Hz. cables
 - Repair or replacement of potable water hoses, nozzles

Other Equipment maintained by Contractor under this Agreement comprises portable ramp(s) for which Contractor shall provide complete PM and inspections. RM on the portable ramp(s) will be handled as Other Work/Service.

1.2 BASIC SERVICES – HARDSTAND OPERATIONS

Hardstand Operations are described in Attachment "A." Response time is 5-minutes.

- A. Years 1-3: Contractor shall furnish, maintain, and operate hardstand equipment as described in Attachment "A" for a guaranteed 550 hours per month utilization of equipment and personnel. Hours of operation are 6:00 a.m. to 12:00 a.m. (midnight) 7-days per week.

Years 4-5: Contractor shall furnish, maintain, and operate hardstand equipment described in Attachment "A" for a guaranteed 300 hours per month utilization of equipment and personnel. Hours of operation are 10:00 a.m. to 8:00 p.m. 7-days per week.

1.3 OPERATION AND MAINTENANCE MANUALS

HAS will provide Contractor with its available manuals. Contractor shall update manuals and technical literature throughout the Term of the Agreement to reflect manufacturer's updates and changes or additions to the systems. Contractor shall obtain all other manuals and technical literature required to perform the Work.

Exhibit "A"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
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Performance Work Statement

- Hourly Redo Log Backup
 - Nightly Full Backups - SAP server must be backed up to tape on a nightly basis.
 - Weekly Offline Backups Stored Off site - SAP server must be backed up offline on a weekly basis. The offline tapes must be stored in a secure offsite location and can be used to recover the system if a disaster occurs to Contractor's Data Center.
 - SAP Software Updates – Contractor shall load SAP software patches and updates.
- C. CMMS Data Center shall incorporate the following features:
- Secure location with limited access.
 - Fire Control System
 - Climate Controlled Environment.
 - UPS Battery Backup.
 - Generator Power Backup
 - Firewall protection
 - Internet Access – Contractor's Data Center shall have connection with sufficient bandwidth to host applications over the Internet.
- D. System Availability Planning includes, but is not limited to the following:
- Fault Tolerant Redundant Hardware
 - Disaster Recover Planning – Contractor shall provide for recovery services to include replacement hardware within 48 hours if a disaster destroys a server of the entire data center.
 - Hardware Service Contract – Contractor shall provide for replacement parts within 4 hours if a hardware failure occurs.
 - Routine System Performance Reviews – Contractor shall routinely perform system performance reviews to ensure a high level of performance.
 - Monthly Security Reviews – Contractor shall review the latest Security patches/updates on a monthly basis to protect from viruses and hackers
- E. CMMS Deployment
- Contractor shall implement its CMMS within 45 days after the Notice to Proceed Date. The process includes set up of IAH database and training personnel.
- F. Reports include, but are not limited to, the following:
- General status of equipment

Exhibit "A"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
for Houston Airport System
Performance Work Statement

SECTION 2

PERSONNEL

2.0 STAFFING

As part of Basic Services, Contractor shall provide an appropriate number of supervised, trained, and skilled employees to perform the Work required under the Agreement.

2.1 PROJECT MANAGER

Contractor shall provide a dedicated and qualified Project Manager (PM), to be located at IAH between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday, who shall serve as the main point of contact with HAS. The PM shall serve as the main point of contact with HAS. If the PM is to be temporarily off-site, the Director must be notified in writing and an acting PM identified and approved by the Director. The PM must be fully authorized by Contractor to act for the Contractor in all matters. Project Manager shall attend regularly scheduled and *ad-hoc* meetings to discuss the maintenance and operation of the systems. The PM shall attend meetings with the Director within 30 minutes notice. The PM shall prepare a typed meeting agenda covering the topics to be discussed and prepare minutes of the meetings in a form satisfactory to the Director. The PM shall issue copies of the minutes to all attendees within 3 business days following each meeting. HAS will approve the minutes prior to distribution by Contractor.

The Project Manager may be a working technician. Project Manager shall have a BA Degree, or equivalent, and a minimum of 5 years related experience in the maintenance and operation of related systems at the project manager level.

The PM shall not be reassigned from this Agreement without prior approval of the Director. Such approval will not be unreasonably withheld so long as the replacement project manager is equally experienced, and skilled in a like position in a contract of similar size and scope as provided herein.

Exhibit "A"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
for Houston Airport System
Performance Work Statement

HOU Aircraft Support and Baggage Handling Systems		
Position	Qualifications	Duties
(1) Supervisor	Assoc Degree, or equal 1-year related experience	Coordinates activities, manning Evaluates job performance Maintains records
(1) Lead Field Service Technician	Assoc Degree, or equal 1-year related experience	Coordinates activities, manning Evaluates job performance Maintains records
(2) Field Service Technicians	High School Diploma, or GED Driver's License Minimum 2 years documented training and/or job experience in the areas of welding, machinery, electrical, pneumatics and or motor control troubleshooting pertaining to aircraft support and baggage systems. Must maintain any and all applicable certifications and licenses for the area assigned.	Repair and maintenance

Should the Director determine that Contractor is not meeting its responsibilities under the Agreement due to the number or qualifications of on-site personnel, the Director may request Contractor increase the number of on-site personnel in order to meet all obligations specified hereunder, at no additional cost to HAS. Upon written notification from the Director, Contractor shall be given two calendar days to assess problems and one additional day to formulate a resolution of the problem. Subsequently, if the Director determines that Contractor's responsibilities under the Agreement can only be met with additional on-site staff, Contractor shall provide such staff at no additional cost to HAS. Contractor's personnel shall work additional hours as required to meet Contractor's obligations under the Agreement at Contractor's expense.

2.3 TRAINING OF PERSONNEL

Contractor shall provide, at its sole expense, all training for its personnel as appropriate for the services to be provided under this Agreement. Training shall include the maintenance and repair procedures for systems and equipment, record keeping procedures, procurement procedures, and operation and maintenance of the CMMS. Contractor shall develop procedures and checklists to ensure all personnel, including newly-hired workers, are familiar with the Work at each location.

Contractor shall provide initial orientation to all new hire employees, regardless of job classification. Contractor shall provide annual HAZCOM training and annual Dangerous Goods Awareness for all employees that have contact with baggage.

Exhibit "A"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
for Houston Airport System
Performance Work Statement

SECTION 3
DUTIES OF CONTRACTOR

3.0 DUTIES OF CONTRACTOR

3.1 EQUIPMENT CONDITION AT EXPIRATION

Prior to expiration of contract, Contractor shall repair any equipment not in first-class maintenance condition and perform scheduled PM work on all equipment up to the then current date in accordance with approved PM schedules.

3.2 PHASE-IN SERVICES

Contractor shall be given up to 14 days Phase-In period to accomplish transition of services. Contractor's Phase-In period begins on the date indicated in the Phase-In Notice from the Director. On the Phase-In start date, Contractor shall provide on-site, at a minimum, the Project Manager, Supervisors, and Lead Technicians. Contractor shall familiarize itself with the total systems operations and requirements of HAS. Contractor will not be paid for Phase-In Services. Contractor shall not be responsible for providing maintenance services during the Phase-In period.

3.3 PHASE-OUT SERVICES

Contractor shall provide Phase-Out services for up to 30 days before expiration of the Agreement to the successor contractor at no additional charge to HAS. Phase-out orientation comprises a maximum of 30 working days, 8 hours per day. Orientation shall include work procedures, record keeping, and reports. Contractor shall be responsible for providing the services called for by the Agreement during its Phase-out period.

3.4 INCLUSIONS/EXCLUSIONS

From time to time throughout the Term of the Agreement, the Director may, by written notice to Contractor, increase and/or decrease the number of systems or equipment covered by the Agreement. Contractor's sole compensation for such adjustment will be the monthly unit cost per the Fee Schedule. Contractor shall at all times provide an adequate number of on-site personnel at no additional cost to HAS.

Exhibit "A"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
for Houston Airport System
Performance Work Statement

- Contractor shall obtain HAS security badges for its personnel performing services on-site, including its subcontractors' personnel. On-site personnel shall wear identification badges at all times while on Airport property. *The cost of badges, which is subject to change, is currently \$45.00 each at IAH and HOU.* Costs for the fingerprint-based criminal history records check are reflected in the cost of the badges. Contractor is responsible for the cost of badges, including replacements thereof. Contractor personnel losing badges will be charged for replacement badges at the then current rate.
- Contractor acknowledges that fines or penalties associated with non-compliance with security regulations must be reimbursed to HAS.

3.8 PARKING

Contractor shall park its vehicles in areas designated by HAS at Contractor's cost.

3.9 CONTRACTOR'S QUALITY CONTROL PLAN

Contractor shall establish, implement and maintain a Quality Control Plan as detailed in Attachment "C."

3.10 PAY FOR PERFORMANCE

Contractor's Pay for Performance program including key performance indicators (KPIs) and methodology for calculating payment based on KPIs is detailed in Attachment "D."

3.11 CONTRACTOR'S SAFETY PROGRAM

Contractor shall establish, implement and maintain a Safety Program as detailed in Attachment "E."

Exhibit "A"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
for Houston Airport System
Performance Work Statement

2	Microline 320 turbo	Fault monitoring system
2	HP DeskJet 940C printers	Trouble ticket printers
2	Short-haul modems	Trouble ticket printers
<i>The above equipment is to be used to reset Baggage System PLC's at IAH Terminals A and D and for fault monitoring.</i>		
HOU		
QTY.	DESCRIPTION	USE
1	HP 4005 Laser Printer	Baggage system analysis printer.
2	HP 3420 DeskJet Printer	Trouble ticket printers

4.2 HAS-PROVIDED SERVICES

- A. Utilities – In the HAS-furnished office/storage facilities, HAS will furnish heating and air-conditioning, and telephone connectivity. The Contractor will pay for long-distance charges. For performance of the Work, HAS will furnish electricity, water. Any additional requirements must be at Contractor's expense.
- C. Mail Distribution - HAS will provide internal Department mail service.
- D. Real Property Maintenance -HAS will provide normal maintenance and repair of real property facilities. Contractor shall be responsible for interior housekeeping and janitorial maintenance for its offices. Contractor shall be responsible for all damages to property caused by carelessness or neglect.
- E. Janitorial Services – HAS will provide all janitorial services to Baggage Handling Systems in public areas, including polishing/cleaning stainless steel, vacuum/ cleaning carpeted decks, picking up trash in area. HAS will clean all carousel and conveyor stainless steel panels and slope plates visible to the public from the point the inbound baggage conveyor enters the public area from the ceiling of the baggage claim area. Contractor shall handle janitorial tasks in its assigned office facilities/storage space and all non-public areas of the Baggage Handling Systems.

Exhibit "A"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
for Houston Airport System
Performance Work Statement

- E. Upon approval by the Director of the modified proposal, an OSR will be issued. Contractor shall commence work as stated in the OSR. Contractor shall diligently work to completion in accordance with the terms and conditions of this Agreement and the approved OSR.
- F. Labor costs must not exceed the rate stated in the contract. However, when the Other Work/Services are performed by an on-site staff in conjunction with their regular duties, Contractor shall not receive additional compensation for labor.
- Contractor shall use its on-site staff during normal scheduled hours for performing Other Work/Services, provided Contractor can meet all other contractual responsibilities. Contractor shall not receive labor compensation for the use of on-site personnel, but shall be compensated for parts and materials only at cost plus 5% markup.
- G. For the Other Work/Services that Contractor cannot perform with its on-site staff, Contractor may subcontract such work. For Other Work/Services in excess of \$350, Contractor shall obtain three (3) bids/estimates to include itemized costs for parts and labor. Contractor shall be compensated at cost plus 5% markup for parts and labor. Contractor shall submit the bids/estimates to the Director and obtain written approval from the Director before proceeding with the work. Contractor shall not subcontract work to a company affiliated with Contractor without prior written approval of the Director.
- H. When chargeable Other Work/Services have been completed, a copy of the approved OSR must accompany the monthly invoice. Additionally, Contractor shall supply invoices for all parts and materials used in performing Other Work/Services. There will be no reimbursement to the Contractor by HAS for parts and materials used for Other Work/Services without invoices
- I. While performing work on any OSR, if hidden damage or additional cost is discovered, Contractor shall notify the Director immediately. After determining the extent of hidden damage a supplemental OSR must be submitted.
- J. In the case of emergency service, Contractor may perform Other Work/Services upon the verbal approval of the Director. However, during the next business day, the Director will submit his or her verbal Emergency Service Request in writing.

ATTACHMENT "A"
HARDSTAND OPERATIONS

Exhibit "A"
Attachment "A"
Baggage Handling and Aircraft Systems
Maintenance and Operations Services
for Houston Airport System
Hardstand Operations

The Director may request Contractor increase the number of on-site personnel in order to meet all obligations specified hereunder, at no additional cost to HAS.

- G. Contractor shall bring equipment to the hardstand area and remove equipment from the hardstand area as service requirements dictate. The City must not operate Contractor's equipment unless specifically authorized by Contractor to do so in emergency situations.
- H. Contractor's Hardstand Operations equipment must be used for the sole purpose of supporting Hardstand Operations at the Airport.
- I. Contractor shall provide specialized equipment including a Passenger Lift Vehicle, for passengers who require special handling.
- J. Contractor shall repair or replace damaged or unserviceable equipment used in its Hardstand Operations at no additional cost to HAS.

3. CONTRACTOR-FURNISHED EQUIPMENT

A. BUS

Bus(es) shall be like-new diesel-powered air-conditioned, capable of providing safe and prompt transport of up to 111 passengers to and from the Terminal and Aircraft parked on the apron. Bus(es) must have a luggage rack of adequate size inside for passenger luggage.

B. AIRCRAFT STAIR

Aircraft stair(s) shall be truck-mounted, enclosed, capable of servicing wide-body aircraft and narrow-body aircraft. Stair(s) must be completely enclosed to provide weather protection, stable, safe, and weather-protected passenger boarding and deplaning and must comply with all applicable safety requirements. Safety features on the units shall include:

- Illuminated steps
- Illuminated platform
- Stabilizers

C. DISABLED PASSENGER LIFT VEHICLE

Disabled passenger lift vehicle shall be enclosed for enplaning/deplaning and transport of passengers with ambulatory or mobility impairments per Federal

ATTACHMENT "B"
TRAINING PROGRAM

ATTACHMENT "C"

QUALITY CONTROL

Exhibit "A"
Attachment "C"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
for Houston Airport System
Quality Control

5. INTERNAL QUALITY AUDITS/INSPECTIONS

- Daily audits are required a minimum 20% sampling of each job function
- Daily review or summary of results provided to HAS
- Weekly summary of activity including overall performance rating
- Monthly performance review with HAS for sign-off
- Semi-annual corporate audits: one announced, one unannounced
- Revisits if necessary to ensure action items are corrected

7. EXTERNAL QUALITY AUDITS

- Annual audits
- Revisits if necessary to ensure action items are addressed

8. CORRECTIVE ACTION PROCEDURE

- Identified deficiencies will be addressed with the Project Manager
- Project Manager will have 7 days to respond to issues
- Outstanding items will require an action plan with target correction date
- Resolution notification from the Project Manager when all items are cleared

9. CONTROL OF QUALITY RECORDS PROCEDURES

- Records are labeled and filed according to type of audits
- Records are legible
- Records are maintained so that they are readily retrievable
- Retention period of three months for all daily audits
- Retention period of one year for all other audits
- Regulatory retention applies when mandated by regulatory agencies.

Contractor shall provide a proactive quality control program that supports continuous improvement and allows issues to be identified early and be corrected before they impact service levels. Contractor shall use the information to address additional training needs, process and procedure enhancements, and as a coaching tool for team members to improve their skills.

10. CORRECTIVE AND PREVENTIVE ACTION

Contractor shall ensure documented procedures controlling all aspects of corrective and preventive action are in use. As part of its corrective and preventive action, Contractor shall:

- Determine root cause(s) of nonconforming situations.
- Identify and implement corrective and preventive action with intent of preventing recurrence of nonconforming situation.
- Initiate/implement corrective and preventive actions.
- Maintain records associated with corrective and preventive action
- Submit key information in reports for review purposes.

Exhibit "A"
Attachment "C"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
for Houston Airport System
Quality Control

14. CUSTOMER FEEDBACK PROCEDURE

Contractor shall provide HAS access to all completed inspections and checklists. Contractor shall provide a weekly activity report identifying the work performed. The Project Manager shall meet monthly, or as required, to discuss Contractor's performance activities and issues.

15. CONTROL OF QUALITY RECORDS

Contractor shall ensure documented procedures controlling all aspects of quality records are in use.

- Controls apply to all company quality records.
- Procedures shall address identification, collection, indexing, access, filing, storage, maintenance, disposal, and disposition.
- Records must be legible and maintained in a retrievable manner.
- Electronic records must be backed-up and stored to prevent loss or damage.
- Records retention periods must be specified and must conform to customer requirements.

16. RELATED AND SUPPORT DOCUMENTATION

- Control of Quality Records
- Procedure Retention Periods
- Procedure

17. CONTROL OF QUALITY RECORDS PROCEDURE

Contractor shall establish and maintain documented procedures that identify required inspections. Contractor shall label files for each type of inspection. When the inspections are completed, Contractor shall maintain the hard copy of the daily, weekly, biweekly, monthly, quarterly, semi-annual and annual audits in accordance with its records retention procedure. Contractor shall maintain these files in a secure location.

Contractor shall maintain quality records to demonstrate conformance to specified requirements and the effective operation of its quality control program.

All quality records shall be legible and shall be stored and retained in such a way that they are readily retrievable in facilities that provide a suitable environment to prevent damage or deterioration and to prevent loss. Retention times of quality records shall be established and recorded. Where agreed contractually, quality records shall be made available for evaluation by HAS or its representative for an agreed period.

18. RECORD RETENTION PERIOD PROCEDURE

Contractor shall retain all quality records and annual inspections for the duration of the Agreement Term.

Exhibit "A"
Attachment "D"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
for Houston Airport System
Pay for Performance

1. GENERAL

Pay for Performance is a program for performance-based contracting that includes a methodology for calculating payment based on achievement of system uptime measured by key performance indicator (KPI). The Agreement requires Contractor to achieve an in-service rate of not less than 0.99 (99%), averaged weekly, for each Baggage Handling and Aircraft Support sub-system for Contractor's first 90 days of full operation and to subsequently maintain an in-service rate of not less than 0.995 (99.5%) averaged weekly for each Baggage Handling and Aircraft Support sub-system in order to receive 100% payment of the monthly fee. For any calendar month that the Contractor does not achieve the in-service rate specified above, a reduction in the monthly fee for that sub-system shall result.

Contractor shall submit monthly performance data to HAS for review per the following KPIs showing percent of goal achieved:

- A. System Availability – Performance Goal 99%
 - IAH/HOU Aircraft Support Systems
 - IAH/HOU Baggage Handling Systems
- B. Completion of PM – Performance Goal 95%
- C. Completion of Work Orders – Performance Goal 95%

Data shall be generated using the Contractors CMMS System.

Only the System Availability KPI will be used to calculate the in-service rate. The Completion of PM and Work Orders KPI data will be provided to substantiate System Availability as these KPIs directly affect the Systems Availability percentage.

2. DETERMINING SUB-SYSTEM AVAILABILITY

By applying the formula:

$$A = \frac{(ST-RT)}{ST}$$

Where:

A= Sub-System Availability ;
ST=Scheduled Operation Time; and
RT=Repair Time

the in-service rate is calculated. The per-system deduct is derived from the following matrix:

Exhibit "A"
Attachment "D"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
for Houston Airport System
Pay for Performance

- D. The following shall not be classified as failures for purposes of determining Sub-system Availability.
- Malfunctions due to cause outside the sub-system such as Force Majeure, Third party damage by other than Contractor's personnel or Contractor's sub-contractor personnel performing work for Contractor.
 - Malfunctions due to Baggage Jams, Operator error, and not caused by failure of other subsystem components, assembly or sub assembly.
 - Any failure that is detected and repaired without affecting normal operation of the sub-system.
- E. Corrective Action shall be taken by the Contractor for any calendar month during the term of the Contract, a Baggage Handling or Aircraft Support Sub-system does not achieve a minimum of 99% "Availability".

Contractor shall, at its expense, promptly undertake a review of the current maintenance procedures and propose to HAS within 30 days of such occurrence, a plan to correct the deficiencies. Corrective actions shall be at no added expense to HAS. Contractor shall document the Corrective Action in a Failure Analysis Report and submit the report to HAS for review and approval within the 30 day period of such occurrence.

Exhibit "A"
Attachment "D"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
for Houston Airport System
Pay for Performance

Example 2
System Availability Fee Matrix
Baggage Handling Systems IAH

Percentage	99.5%
A	Availability
ST	Scheduled Operating Time
RT	Repair Time
Monthly Cost	
Hours/Month = (Daily Op Hours)*(365)/(12)	
A= (ST-RT)/ST	

Station	Equipment	Systems	Scheduled Operation Time Hours/Month/Unit
IAH	Baggage Handling Systems Conveyors	470	547.5
IAH	Baggage handling Systems Carousels	20	547.5
IAH	Total Baggage Handling Systems	490	

IAH	Monthly Maintenance Fee for Baggage Handling Systems	\$58,693.05
IAH	Number of Conveyors/Carousels	490

Uptime Score	% Deduct Per IAH Baggage Handling System	ST	RT	Monthly Fee
100.00%	0.00%	547.50	0	\$119.78
99.90%	0.00%		0.5475	\$119.78
99.50%	3.00%		2.7375	\$116.19
99.00%	6.00%		5.4750	\$109.22
98.50%	9.00%		8.2125	\$ 99.39
98.00%	13.00%		10.9500	\$ 86.47
97.50%	17.00%		13.8675	\$ 71.77
97.00%	21.00%		16.4250	\$ 56.70
96.50%	26.00%		19.1625	\$ 41.96
96.00%	31.00%		21.9000	\$ 28.95
95.50%	36.00%		24.3675	\$ 18.53
95.00%	43.00%		27.3750	\$ 10.56
94.50%	49.00%		30.1125	\$ 5.39
94.00%	55.50%		32.8500	\$ 2.40
93.50%	62.00%		35.5875	\$ 0.91
93.00%	69.00%		38.3250	\$ 0.28
92.50%	76.00%		41.0625	\$ 0.07
92.00%	84.00%		43.8000	\$ 0.01
91.50%	92.00%		46.5375	\$ 0.00
91.00%	100.00%		49.2750	\$ 0.00

ATTACHMENT "E"
SAFETY PROGRAM

Exhibit "A"
Attachment "E"
Baggage Handling and Aircraft Support Systems
Maintenance and Operations Services
for Houston Airport System
Contractor's Safety Program

B. JOB SPECIFIC SAFETY TRAINING

- Ramp Safety Procedures
- FOD Prevention
- Ground Equipment Safety Procedures
- General Safety Rules
- Safety Attire Safety Procedures
- Driving Safety Procedures
- Around the Aircraft Safety Procedures
- Forklift Training Procedures
- Surface Hazards
- Loading/Unloading
- Inspections
- Operator Training

C. SAFETY AND EQUIPMENT CERTIFICATION TRAINING

- Hands on checklist
- Equipment type

D. SAFETY BRIEFING

Daily awareness of work place hazards Opportunity for teams to discuss Issues
Discuss incidents and prevention

E. MONTHLY SAFETY CHECKS/MEETINGS

- Monthly safety meetings are required at all locations
- Monthly safety checks are required at all locations
- Safety checks findings discussed with recommendations monthly Items for review from previous meetings New issues presented

F. RECURRENT TRAINING

Contractor shall provide quarterly recurrent training required, and more frequently if necessary due to regulatory changes, procedure changes, audit findings, customer feedback, or employee feedback.

Exhibit "B"
Baggage Handling and Aircraft Support Systems
Maintenance and Operation Services
for Houston Airport System
System Description

PART 1 - BAGGAGE HANDLING SYSTEMS

1.1 Current Systems - The existing Baggage Handling System(s) located at IAH Terminals A and D are each divided into an Outbound Conveyor System, which handles baggage for departing flights, and an Inbound Conveyor System, which handles baggage for arriving flights. The existing Baggage Handling System(s) located at HOU are each made up of an Inbound Claim Device System and a Baggage Information Display System which together handle baggage for arriving flights. Contractor is responsible for maintaining the following systems at the flat fee per month per the Fee Schedule. System details are provided below.

A. IAH – Terminal A North Concourse Conveyor System

The Inbound and Outbound conveyor system is comprised of the Linear footage as listed below.

Total of approximately 1706 LF of Inbound Belts, Outbound Carousels 1832 LF, Inbound Carousels 463 LF, Outbound Carousels 308 LF.

Equipment List for Curbside

- CS4-1,1A,1B,1C,2A through CS4-12 - 149 LF
- CS5-1 through CS5-14 - 132 LF

Equipment List for Outbound Belts and Carousels

- OO2-1 through OO2-12 (Oversize Belt) – 373 LF
- OB4-1 through OB4-24 – 503 LF
- OB5-1 through OB5-27 – 675 LF
- MK4 carousel – 154 LF
- MK5 carousel – 154 LF

Equipment List for Inbound Belts and Carousels

- IB4-1 through IB4-17 – 445 LF
- IB5A-1 through IB5A-20 – 428 LF
- IB5B-21 through IB5B-37 – 371 LF
- IB6-1 through IB6-19 – 462 LF
- CL4 – 127 LF
- CL5 – 203 LF
- CL6 – 133 LF

Exhibit "B"
Baggage Handling and Aircraft Support Systems
Maintenance and Operation Services
for Houston Airport System
System Description

- Inbound Conveyor Line No. IB3 442.0 LF (conveyors IB3-1 through IB3-21) and Claim Device CL-3 133.5 LF
- B. Each inbound conveyor line utilizes four (4) types of conveyors that are connected end-to-end to form a continuous line from each associated load conveyor to its own claim device, with the exception of IB2A and IB2B utilizing the same Claim Device CL2. The four (4) types of conveyors are identified as:
- Horizontal conveyors
 - Declines with radius breakovers (noseovers)
 - Inclines with radius breakovers (noseovers)
 - Power turns
- C. **IAH - Terminal D**
Total of approximately 3,077.8 LF conveyor belting and 1761.2 LF slope-plate carousel.

Bag encoding system in Terminal "D" Customs Area. System responsibility extends to the point where baggage is routed to the conveyor system to Terminal "C." Any changes in demarcations will be handled by Inclusion Notice.

1. Outbound Conveyor System

- A. The Outbound Baggage Conveyor System is comprised of six (6) electrically operated conveyor lines and four (4) make-up devices, identified as follows:
- Ticket Counter Conveyor Line No.1 528.0 LF (conveyors T1-1A through T1-23) and associated Make-up Device No.3 (MU-3) 170.3 LF
 - Ticket Counter Conveyor Line No.2 276.0 LF (conveyors T2-1 through T2-14) and associated Make-up Device No.1 (MU-1) 170.3 LF
 - Ticket Counter Conveyor Line No.3 353.0 LF (conveyors T3-1 through T3-16) and associated Make-up Device No.2 (MU-2) 170.3 LF
 - Outbound Odd-Size Conveyor Line O1 141.0 LF (conveyors O1-1A through O1-3)
 - Interline Transfer Conveyor Line R1 25.0 LF (conveyors R1-1 through R1-7A-04)
 - Interline Transfer Conveyor Line M1-01 304.0 LF (conveyors M1-01 through M1-11) and associated Make-up Device No. R1 298.2 LF (R1-MU)
 - Interline Transfer Conveyor Line BR-1 207.1 LF (conveyors BR1 through BR13) (also on Make-up Device No. R1)

Exhibit "B"
Baggage Handling and Aircraft Support Systems
Maintenance and Operation Services
for Houston Airport System
System Description

- Inclines with radius breakovers (noseovers)
- Power turns

D. HOU - Main Terminal Baggage Claim Area

Total of approximately 722.0 LF flat-plate carousel.

1. Inbound System

The inbound baggage system is comprised of four (4) flat-plate claim devices each connected to its own associated tug terminal and Spectrum model FC-352DS double-sided display unit. A junction box connects the above equipment to a personal computer in the operations office. The equipment is identified as follows:

- Claim Device CL-1 188.0 LF, Tug Terminal 1, and Display 1
- Claim Device CL-2 173.0 LF, Tug Terminal 2, and Display 2
- Claim Device CL-3 173.0 LF, Tug Terminal 3, and Display 3
- Claim Device CL-4 188.0 LF, Tug Terminal 4, and Display 4

2. Outbound Conveyor System

The Outbound Baggage Conveyor System located in the Central Concourse is comprised of 6 electrically operated conveyor lines and 2 Make-up devices identified as follows:

- a. Ticket Counter Conveyor Line No. 1 357LF (Conveyors TC1-1 through TC1-14)
- b. Main Conveyor Line No. 1 205LF (Conveyors ML1-1 through ML1-7)
- c. Main Conveyor Line No. 2 361LF (Conveyors ML2-1 through ML2-13)
- d. Cross Over Line No. 1 59LF (Conveyors C01-1 through C01-6)
- e. Cross Over Line No. 2 62LF (Conveyors C02-1 through C02-6)
- f. Conveyor Scanner Line No. 3 146LF (Conveyors CS3-7 through CS3-15)
- g. Make-up Carousel Device MU-1 192LF
- h. Make-up Carousel Device MU-2 152LF

E. Electrical Systems

Lines are powered by electric motors acting through gear speed reducers (gear boxes) that are either base-mounted or shaft-mounted to selected conveyor bed pulleys.

1. Operator and Conveyor Line Controls

Each line is furnished with electrical controls at all operator and maintenance stations. Controls (motor, switches, starter, relays, etc.) are mounted to control panels that are housed inside control cabinets

Exhibit "B"
Baggage Handling and Aircraft Support Systems
Maintenance and Operation Services
for Houston Airport System
System Description

- operations.
- b. Detect bag jams on conveyor lines during normal operation; activate an audible alarm; and initiate shutdown of a jammed conveyor and adjacent downstream conveyors if a jam occurs.
 - c. Index bags onto conveyors at merge points.
 - d. Initiate shutdown of an associated conveyor line upon conclusion of baggage loading operations.
 - e. Detect over height bags downstream of conveyor line load belts.
5. **Motor Overload Controls**
The systems are equipped with motor overload controls. If any motor overloads an audible fault alarm will sound, an overload indication will be displayed on the associated MCP Status Panel, the affected motor will stop, and the remaining upstream conveyors in the conveyor line will shut down in a cascade fashion. The overload indication on the MCP status panel will remain until the overload condition is corrected and the overload relay is reset.

F. Miscellaneous Equipment

- 1. **Motors and Reducers**
 - A. IAH Terminal A
Electric motors, primarily Baldor brand (213TC, 184TC, 143T, 145T, 182T and 184T) range from 1.5 HP to 7.5 HP. Reducers, the majority of them by Grove, vary in size from HMQ 1206 to HMQ 1425. In addition, there are a few units by Sumitomo (143T, 145T, and 182T). Also, the listings for Clutch/Brakes Warner (UM180 and UM210).
 - B. IAH Terminal D
Electric motors, primarily Reliance brand (143T, 145T and 145TC, 182T and 182TC, 184T and 184TC, 213T and 213TC) range from 1 HP to 7.5 HP. Reducers, the majority of them by Dodge, vary in size from TXT 109 to TXT 425. In addition, there are a few units by Morse 203 and Ohio 145-40B.
 - C. HOU Main Terminal Baggage Claim Area
Electric motors, Baldor brand M3615T 5.0 HP. Reducers, Flender brand FDF61A5 35.34:1 flange mount.
- 2. **Security Doors** are installed where the conveyor lines pass through the terminal walls, open automatically before start-up of each associated conveyor line and close automatically upon the conclusion of baggage transport activities. Draft flaps are used to prevent excessive drafts through wall openings when the security doors are open.

Exhibit "B"
Baggage Handling and Aircraft Support Systems
Maintenance and Operation Services
for Houston Airport System
System Description

Baggage system due to be completed in 2003 will be added by Inclusion Notice at the "per-linear-foot" price per the Fee Schedule.

The systems associated with the IAH Terminal E Tie-In to FIS Building Baggage Feed To Terminal C due to be completed in 2005 will be added by Inclusion Notice at the "per-linear-foot" price per the Fee Schedule.

At HOU, a bag encoding system will come on line in approximately 2004 and will be included by Inclusion Notice.

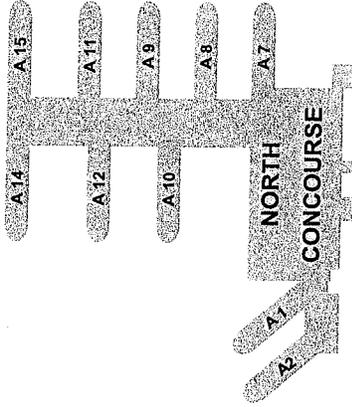
PART 2 - AIRCRAFT SUPPORT SYSTEMS

Exhibit "B"
Baggage Handling and Aircraft Support Systems
Maintenance and Operation Services
for Houston Airport System
System Description

TERMINAL "A" GATE LOCATIONS
ALL GATES COVERED UNDER AIRCRAFT SUPPORT SYSTEMS MAINTENANCE CONTRACT

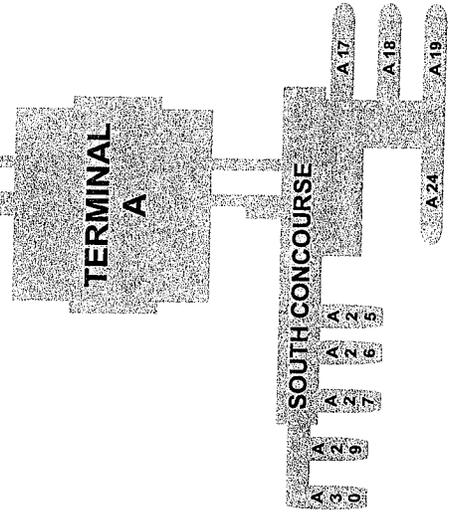
**NORTH
CONCOURSE
GATES**

- A-1
- A-2
- A-7
- A-8
- A-9
- A-10
- A-11
- A-12
- A-14
- A-15



**SOUTH
CONCOURSE
GATES**

- A-17
- A-18
- A-19
- A-24
- A-25
- A-26
- A-27
- A-29
- A-30



REVISED 4/7/03

Exhibit "B"
Baggage Handling and Aircraft Support Systems
Maintenance and Operation Services
for Houston Airport System
System Description

IAH									
GATE NO.	TERM	CURRENT TENANT	MFG	INCLUSION DATE	INCLUSION NUMBER	UNDER WARRANTY THIS CONTRACT	WARRANTY END DATE	REMARKS	
1	A-1	US AIRWAYS	JETWAY	1/24/2002	I-006	OOW	OOW	MODEL-AD3-60/119-125R SN38961	
2	A-10	SOUTHWEST	JETWAY	1/24/2002	I-006	OOW	OOW	MODEL-AD3-60/119-125R SN38973	
3	A-11	UNITED	JETWAY	5/14/2002	I-007	YES	5/14/2003	MODEL-AD3-60/119-125R SN38971	
4	A-12	UNITED	JETWAY	5/14/2002	I-007	YES	5/14/2003	MODEL-AD3-60/119-125R SN38964	
5	A-14	UNITED/ALLEGRO	JETWAY	5/14/2002	I-007	YES	5/14/2003	MODEL-AD3-60/119-125R SN38966	
6	A-15	UNITED	JETWAY	5/14/2002	I-007	YES	5/14/2003	MODEL-AD3-60/119-125R SN38965	
7	A-17	AMERICAN WEST	JETWAY	N/A	CONTRACT	OOW	OOW	MODEL-A3-58/110-125R SN38244	
8	A-18	DELTA	JETWAY	N/A	CONTRACT	OOW	OOW	MODEL-A3-58/110-125R SN38243	
9	A-19	DELTA	JETWAY	N/A	CONTRACT	OOW	OOW	MODEL-A3-58/110-125R SN38242	
10	A-2	US AIRWAYS	JETWAY	1/24/2002	I-006	OOW	OOW	MODEL-AD3-60/119-125R SN38962	
11	A-24	DELTA	JETWAY	N/A	CONTRACT	OOW	OOW	MODEL-A3-58/110-125R SN38241	
12	A-25	AMERICAN	THYSSEN	3/3/1999	I-01	OOW	OOW	MODEL-41/24-2R SN757	
13	A-26	AMERICAN	THYSSEN	3/3/1999	I-01	OOW	OOW	MODEL-35/21-2R SN757	
14	A-27	AMERICAN	THYSSEN	3/3/1999	I-01	OOW	OOW	MODEL-35/21-2R SN758	
15	A-29	AMERICAN	THYSSEN	3/3/1999	I-01	OOW	OOW	MODEL-35/21-2R SN760	
16	A-30	TWA	THYSSEN	6/8/1999	I-02	OOW	OOW	MODEL-35/21-2R SN761	
17	A-7	UNITED	JETWAY	7/15/2002	I-009	OOW	OOW	MODEL-AD3-60/119-125R SN38959	
18	A-8	US AIRWAYS	JETWAY	6/24/2002	I-008	OOW	OOW	MODEL-AD3-60/119-125R SN38960	
19	A-9	AIR CANADA	JETWAY	5/14/2002	I-007	YES	5/14/2003	MODEL-AD3-60/119-125R SN38963	
20	D-1	INTERNATIONAL	THYSSEN	N/A	CONTRACT	OOW	OOW	MODEL TB35/21.0-2 SN05027 TB352775	

Exhibit "B"
Baggage Handling and Aircraft Support Systems
Maintenance and Operation Services
for Houston Airport System
System Description

HOU											
GATE NO.	CONCOURSE	CURRENT TENANT	MFG	INCLUSION DATE	INCLUSION NUMBER	UNDER WARRANTY THIS CONTRACT	WARRANTY END DATE	REMARKS			
1	A	SOUTHWEST	THYSSEN STERNS	2/19/2003	I-03-01	OOW	OOW	MODEL 05024-TB41/27-31			
2	B	AIRTRAN	THYSSEN STERNS	2/19/2003	I-03-01	OOW	OOW	MODEL 05024-TB41/37-34			
3	B	AIRTRAN	THYSSEN STERNS	2/19/2003	I-03-01	OOW	OOW	MODEL 05024-TB41/27-30			
4	C	DELTA	THYSSEN STERNS	2/19/2003	I-03-01	OOW	OOW	MODEL 05024-TB41/37-50			
5	C	DELTA	THYSSEN STERNS	2/19/2003	I-03-01	OOW	OOW	MODEL 05024-TB41/37-33			
6	C	DELTA	THYSSEN STERNS	3/1/2003	I-03-01	OOW	OOW	MODEL 05024-TB41/37-49			
7											
8											
9											
10											
11											
12											

Exhibit "B"
Baggage Handling and Aircraft Support Systems
Maintenance and Operation Services
for Houston Airport System
System Description

Smoke Detection Device (two each per gate)
 Triangular Gate Identification Sign, Illuminated style

Gates A1, A2, A7, A8, A9, A10, A11, A12, A14 and A15 identified above include the equipment listed above with the exception of the following:
 400Hz power is supplied by self-contained units by FCX Model No. PFC072-H-40-FM (one each per gate)
 Pre-Conditioned Air is supplied by self-contained Pre-Conditioned Air Unit INET Model 25S

Gates A25, A26, A27, A29 and A30 identified above include the equipment listed above with the exception of the following:
 400Hz power is supplied by self-contained units by FCX Model No. PFC072-H-40-FM-12P (one each per gate)
 Pre-Conditioned Air is supplied by self-contained Pre-Conditioned Air Unit INET Model 25S

2. **IAH – Terminal D** - The fourteen (14) existing Terminal D gates include the following Passenger Boarding Bridges:

QTY	MODEL	GATE NUMBER
8	8022-90	D5, D6A, D7, D8, D9, D10, D11, D12
3	TB35/21.0-2	D1, D2, D3
1	A3-53/104-125	D4A
1	A3-67/441-125R	D6
1	80005-90	D4

Exhibit "B"
Baggage Handling and Aircraft Support Systems
Maintenance and Operation Services
for Houston Airport System
System Description

Aurora Model 344A and 364 Centrifugal Pumps
Fafco Ice Bank 200 Thermal Storage Units
Air-A-Plane Corporation Model UUC 300 Utility Carrier
General Electric Motor Control center
Omron C200H Programmable Controller
Multi-View Version 5.00 Program

Aircraft Guide-in System

The Aircraft Guide-in System comprises fourteen (14) sets of passive aircraft bridge devices that support Terminal D Gates 1 through 12. Each gate is provided with two (2) pair of devices, one (1) pair for narrow-body aircraft and one (1) pair for wide-body aircraft. Each pair includes one (1) centerline device and one (1) triangulation device.

Potable Water Supply System

The Potable Water Supply System supports Terminal D Gates 1 through 12. The Potable Water Supply System on each Terminal D Passenger Boarding Bridge is connected to the Terminal Building water supply through an FDA-approved hose to building connections which include valve, pressure gauge, back flow prevention device, and pressure regulator. The hose is connected to a Service Cabinet that includes housing, water connection, water filter with replaceable filters and a shut-off valve upstream of filter housing. The system is equipped with a motorized Re-reeler that includes hose, potable coupling at service end and a shut-off valve located ahead of the coupling. Heating elements are installed in the cabinet to supply trace heat along the supply hose.

Additional Equipment Terminal D

Gates 1, 2, and 3 as identified above include the following equipment:

Self-contained Pre-Conditioned Air Unit Tri-Electron Model No. POU-600 (one each per gate)

400 Hz Power, is supplied by self-contained units by FCX, 90 KVA, Model No. PFC072-H-40-FM-12P (one each per gate)

Gates 4A and 6 as identified above include the following equipment:

Self-contained Pre-Conditioned Air Unit Model XPC-6000 (one each per gate)

400 HZ power is supplied by self-contained units by Jet Power, 90 KVA, Model No.

Exhibit "B"
Baggage Handling and Aircraft Support Systems
Maintenance and Operation Services
for Houston Airport System
System Description

5. Other Related HOU Equipment:

- Turbo Way Model 2000 portable non-motorized passenger ramp.

EXHIBIT "C"

EQUAL EMPLOYMENT OPPORTUNITY

1. The contractor, subcontractor, vendor, supplier, or lessee will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, or age. The contractor, subcontractor, vendor, supplier, or lessee will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, sex, national origin, or age. Such action will include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. The contractor, subcontractor, vendor, supplier or lessee agrees to post in conspicuous places available to employees, and applicants for employment, notices to be provided by the City setting forth the provisions of this Equal Employment Opportunity Clause.
2. The contractor, subcontractor, vendor, supplier, or lessee states that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, national origin or age.
3. The contractor, subcontractor, vendor, supplier, or lessee will send to each labor union or representatives of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer advising the said labor union or worker's representative of the contractor's and subcontractor's commitments under Section 202 of Executive Order No. 11246, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor, subcontractor, vendor, supplier, or lessee will comply with all provisions of Executive Order No. 11246 and the rules, regulations, and relevant orders of the Secretary of Labor or other Federal Agency responsible for enforcement of the equal employment opportunity and affirmative action provisions applicable and will likewise furnish all information and reports required by the Mayor and/or Contractor Compliance Officer(s) for purposes of investigation to ascertain and effect compliance with this program.
5. The contractor, subcontractor, vendor, supplier, or lessee will furnish all information and reports required by Executive Order No. 11246, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to all books, records, and accounts by the appropriate City and Federal Officials for purposes of investigations to ascertain compliance with such rules, regulations, and orders. Compliance reports filed at such times as directed shall contain information as to the employment practice policies, program, and work force statistics of the contractor, subcontractor, vendor, supplier, or lessee.
6. In the event of the contractor's, subcontractor's, vendor's, supplier's, or lessee's non-compliance with the non-discrimination clause of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor, subcontractor, vendor, supplier, or lessee may be declared ineligible for further City contracts in accordance with procedures provided in Executive Order No. 11246, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as may otherwise be provided by law.
7. The contractor shall include the provisions of paragraphs 1-8 of this Equal Employment Opportunity Clause in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontractor or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the contractor becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.
8. The contractor shall file and shall cause his or her subcontractors, if any, to file compliance reports with the City in the form and to the extent as may be prescribed by the Mayor. Compliance reports filed at such times as directed shall contain information as to the practices, policies, programs, and employment policies and employment statistics of the contractor and each subcontractor.

EXHIBIT "D"
MWBE SUBCONTRACT TERMS

Contractor shall ensure that all subcontracts with MWBE subcontractors and suppliers are clearly labeled "**THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION ACCORDING TO THE TEXAS GENERAL ARBITRATION ACT**" and contain the following terms:

1. _____ (MWBE subcontractor) shall not delegate or subcontract more than 50% of the work under this subcontract to any other subcontractor or supplier without the express written consent of the City of Houston's Affirmative Action Director ("the Director").
2. _____ (MWBE subcontractor) shall permit representatives of the City of Houston, at all reasonable times, to perform (1) audits of subcontractor's books and records, and (2) inspections of all places where work is to be undertaken in connection with this subcontract. Subcontractor shall keep its books and records available for inspection for at least 4 years after the end of its performance under this subcontract. Nothing in this provision shall change the time for bringing a cause of action.
3. Within 5 business days of execution of this subcontract, Contractor (prime contractor) and Subcontractor shall designate in writing to the Director an agent for receiving any notice required or permitted to be given under Chapter 15 of the Houston City Code of Ordinances, along with the street and mailing address and phone number of the agent.
4. Any controversy between the parties involving the construction or application of any of the terms, covenants, or conditions of this subcontract must, upon the written request of one party served upon the other or upon notice by the Director served on both parties, be submitted to binding arbitration, under the Texas General Arbitration Act (Tex. Civ. Prac. & Rem. Code Ann., Ch. 171 -- "the Act"). Arbitration must be conducted according to the following procedures:
 - a. Upon the decision of the Director or upon written notice to the Director from either party that a dispute has arisen, the Director shall notify all parties that they must resolve the dispute within 30 days or the matter may be referred to arbitration.
 - b. If the dispute is not resolved within the time specified, any party or the Director may submit the matter to arbitration conducted by the American Arbitration Association under the rules of the American Arbitration Association, except as otherwise required by the City's contract with the American Arbitration Association on file in the City's Affirmative Action Division Office.
 - c. Each party shall pay all fees required by the American Arbitration Association and sign a form releasing the American Arbitration Association and its arbitrators from liability for decisions reached in the arbitration.
 - d. If the American Arbitration Association no longer administers Affirmative Action arbitration for the City, the Director shall prescribe alternate procedures to provide arbitration by neutrals in accordance with the requirements of Chapter 15 of the Houston City Code of Ordinances.

EXHIBIT "E"

PERFORMANCE BOND

THE STATE OF TEXAS §
COUNTY OF HARRIS §

_____, ("Principal") and _____, ("Surety"), shall pay to the City of Houston, Texas ("City"), the sum of \$ _____ in accordance with the terms and conditions stated below:

On or about this date, the Principal executed a Baggage Handling and Aircraft Support Systems Maintenance and Operations Agreement in writing with the City ("Agreement"), which is incorporated into this Bond.

The conditions of this obligation are that if the Principal performs its obligations under the terms of the Agreement and this Bond in all respects, then this obligation is void and has no further force and effect; otherwise this obligation remains in effect and the sum of \$ _____ is payable to the City on demand.

The Surety relieves the City and its representatives from the exercise of any diligence whatever in securing the Principal's compliance with the terms of the Agreement, and the Surety waives any notice to it of the Principal's default or delay in the performance of the Agreement. The Surety shall take notice of and is held to have knowledge of all acts or omissions of the Principal, its agents, and representatives in all matters pertaining to the Agreement.

The City and its representatives may at any time, without notice to the Surety, make any changes in the terms and conditions of the Agreement, or extend it, and may add to or deduct from the Principal's obligations under the Agreement. Such changes, if made, do not in any way relieve, release, condition, or limit the obligation in this Bond and undertaking or release the Surety therefrom.

SURETY AND PRINCIPAL AGREE TO AND SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS AGENTS, AND REPRESENTATIVES FROM ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, DAMAGES, FINES, AND EXPENSES ARISING OUT OF OR RESULTING FROM ANY FAILURE ON THE PART OF THE PRINCIPAL, ITS AGENTS, AND REPRESENTATIVES, TO FULLY PERFORM UNDER THE AGREEMENT, INCLUDING ANY CHANGES OR EXTENSIONS TO IT.

If the City brings any suit or other proceeding at law on the Agreement or this Bond, or both, the Principal and the Surety shall pay to the City the additional sum of 10 percent of whatever amount the City recovers, which sum of 10 percent is agreed by all parties to be indemnity to the City for the expense of and time consumed by its City Attorney, his or her assistants, and office staff, and other costs and damages to the City. The amount of 10 percent is fixed and liquidated by the parties because the exact damage to the City would be difficult to ascertain.

This Bond and all obligations created under it shall be performable in Harris County, Texas, and all are non-cancelable. This Bond must be automatically renewed annually on the anniversary of the effective date of the Bond for the term of the Agreement and any extensions, unless the Surety gives the Principal and the City 30 days written notice before the renewal date that the Surety will not renew this Bond, in which case the Principal shall provide the City with a replacement bond (in the same form as this Bond) before the renewal date. The provisions of V.T.C.A., Government Code Section 2253, as amended, control even though the Statute may not be applicable.

All notices required or permitted by this Bond must be in writing and are deemed delivered on the earlier of the date actually received or the third day following: (1) deposit in a United States Postal Service post office or receptacle; (2) with proper postage (certified mail, return receipt requested); and (3) addressed to the other party at the address set out on the signature page of this Bond or at such other address as the receiving party designates by proper notice to the sending party.

This Bond is effective on _____ and is binding on the Principal and the Surety, their heirs, executors, administrators, successors and assigns, jointly and severally.

EXHIBIT "F"

DRUG POLICY COMPLIANCE AGREEMENT

EXHIBIT "G"

CERTIFICATION OF NO SAFETY IMPACT POSITION

EXHIBIT "H"

DRUG POLICY COMPLIANCE DECLARATION

EXHIBIT "I"
FEE SCHEDULE

Exhibit "I"
Baggage Handling and Aircraft Support Systems
Maintenance and Operation Services
For Houston Airport System
Fee Schedule

PRICE SUMMARY BREAKDOWN

YEAR I

IAH

A.	Baggage Handling System	\$712,980.55
B.	Aircraft Support System	\$638,395.41
C.	Hardstand	\$753,600.00
D.	Other Work/Services	<u>\$129,000.00</u>
	Sub-Total (IAH)	\$2,233,975.96

HOU

A.	Baggage Handling System	\$144,651.97
B.	Aircraft Support System	\$234,035.90
C.	Other Work/Services	<u>\$71,000.00</u>
	Sub-Total (HOU)	\$449,687.87

TOTAL (IAH &HOU) – YEAR I **\$2,683,663.83**

YEAR II

IAH

A.	Baggage Handling System	\$712,980.55
B.	Aircraft Support System	\$638,395.41
C.	Hardstand	\$753,600.00
D.	Other Work/Services	<u>\$129,000.00</u>
	Sub-Total (IAH)	\$2,233,975.96

HOU

A.	Baggage Handling System	\$144,651.97
B.	Aircraft Support System	\$234,035.90
C.	Other Work/Services	<u>\$71,000.00</u>
	Sub-Total (HOU)	\$449,687.87

TOTAL (IAH &HOU) – YEAR II **\$2,683,663.83**

Exhibit "I"
Baggage Handling and Aircraft Support Systems
Maintenance and Operation Services
For Houston Airport System
Fee Schedule

PRICE SUMMARY BREAKDOWN

YEAR V

IAH

A.	Baggage Handling System	\$712,980.55
B.	Aircraft Support System	\$638,395.41
C.	Hardstand	\$621,600.00
D.	Other Work/Services	<u>\$129,000.00</u>
	Sub-Total (IAH)	\$2,101,975.96

HOU

A.	Baggage Handling System	\$144,651.97
B.	Aircraft Support System	\$234,035.90
C.	Other Work/Services	<u>\$71,000.00</u>
	Sub-Total (HOU)	\$449,687.87

TOTAL (IAH &HOU) – YEAR V **\$2,551,663.83**

GRAND TOTAL **\$13,152,519.15**

Exhibit "I"
 Baggage Handling and Aircraft Support Systems
 Maintenance and Operation Services
 For Houston Airport System
 Fee Schedule

Cost per Month

A. Flat Rate \$48,500
 Per Month

II. ADDITIONAL AFTER HOURS HARDSTAND PAST THE MONTHLY GUARANTY

Labor Rate
 Per Hour

A. Bus Driver \$18.00

B. Laborer \$15.00

D. OTHER WORK/SERVICES – IAH

Other Work/Services may be required to the Baggage Handling and Aircraft Support System Maintenance Services to meet the desired conditions and/or repairs not covered in the Basic Services of the Agreement. Any amounts indicated below are estimated amounts for Other Work/Services for each year of the Agreement. The actual dollar amount for Other Work/Services may be higher or lower than any estimates, and Contractor shall be paid only for actual work performed, subject to prior HAS direction and approval.

Parts and Materials Cost + 5% markup

Normal Hours Labor Cost:

Technician \$ 64.04 per hour

After Normal Hours Labor Cost:

Technician \$ 96.06 per hour

Total Other Work/Services Parts, Materials & Labor – Year IV \$129,000.00

Exhibit "1"
Baggage Handling and Aircraft Support Systems
Maintenance and Operation Services
For Houston Airport System
Fee Schedule

C. OTHER WORK/SERVICES – HOU

Other Work/Services may be required to the Baggage Handling and Aircraft Support System Maintenance Services to meet the desired conditions and/or repairs not covered in the Basic Services of the Agreement. Any amounts indicated below are estimated amounts for Other Work/Services for each year of the Agreement. The actual dollar amount for Other Work/Services may be higher or lower than any estimates, and Contractor shall be paid only for actual work performed, subject to prior HAS direction and approval.

Parts and Materials Cost + 5% markup

Normal Hours Labor Cost:

Technician \$ 64.04 per hour

After Normal Hours Labor Cost:

Technician \$ 96.06 per hour

Total Other Work/Services Parts, Materials & Labor – Year IV **\$71,000.00**

