

**THIRD AMENDMENT TO THE AGREEMENT FOR
THE PURCHASE AND INSTALLATION OF AN INTEGRATED SYSTEM FOR
NORMAN Y. MINETA/SAN JOSE INTERNATIONAL AIRPORT
BETWEEN THE CITY OF SAN JOSE
AND AIR TRANSPORT IT SERVICES, INC.**

This Third Amendment ("Third Amendment") to the Agreement for the Purchase and Installation of Integrated System for the Airport is entered into as of _____, 2011 by the City of San José ("City"), a municipal corporation, and Air-Transport IT Services, Inc., a Delaware corporation ("Contractor").

RECITALS

WHEREAS on February 28, 2006, City and Contractor entered into an agreement entitled "Agreement for Purchase and Installation of an Integrated System for the Norman Y. Mineta San Jose International Airport" ("Agreement"); and

WHEREAS, under Section 2.2 of the Agreement, the City had an option to order annual Operations and Maintenance (O&M) Services; and

WHEREAS on June 12, 2006 City and Contractor entered into a First Amendment to the Agreement to delete item #410 from the "Scope of Services" and to amend Exhibit B entitled "Operation and Maintenance Services"; and

WHEREAS on December 19, 2006 City and Contractor entered into Change Order #1 to add additional equipment and services to the Agreement and increase total compensation under the Agreement; and

WHEREAS on October 30, 2007 City and Contractor entered into Change Order #2 to add additional services to install communications cable to the Agreement to include the addition and deletion of technology and communications equipment per Exhibit D entitled Master Price list, and increased total compensation under the Agreement; and

WHEREAS on April 24, 2008 City and Contractor entered into Change Order #3 to delete the Passenger Messaging System from the Agreement and to add technician services to include equipment, and increase total compensation under the Agreement; and

WHEREAS on December 4, 2008 City and Contractor entered into Change Order #4 to add additional services to the Agreement to include equipment, and to amend the verbiage to Section 8 entitled "Compensation" of the Agreement, and increase total compensation under the Agreement; and

WHEREAS on December 4, 2008, City and Contractor entered into a Second Amendment to the Agreement to extend the term of the Agreement, add components and related installation costs to complete "Terminals A & B Build Out", and make changes to Compensation and Operation and Maintenance Services; and

WHEREAS on February 10, 2009 City and Contractor entered into an "Addendum of Minor Contract Amendment #1 to amend the Payment Milestone Table in Exhibit C to the Second Amendment of the Agreement; and

WHEREAS on May 26, 2009 City and Contractor entered into an "Addendum of Minor Contract Amendment #2" to further amend the Payment Milestone Table in the Second Revised Exhibit C of the Agreement; and

WHEREAS on June 24, 2009 City and Contractor entered into Change Order #5 to add additional services to the Agreement to include equipment, and amend verbiage to Section 8 entitled "Compensation" of the Agreement, and increase the total compensation under the Agreement; and

WHEREAS on March 12, 2010 City and Contractor entered into Change Order #6 to add additional services to the Agreement to include equipment, and amend verbiage to Section 8 entitled "Compensation" of the Agreement, and increase the total compensation under the Agreement; and

WHEREAS City and Contractor now wish to modify the Agreement to extend the term of the agreement for the support and maintenance services while the City conducts a complete analysis of the fully implemented integrated system, and to make other changes to the Operation and Maintenance Scope of Service and Compensation;

NOW THEREFORE, the parties agree to amend the Agreement as follows:

- 1 Section 2.2 entitled "Maintenance Options" is hereby amended to read as set forth below ;

City has the right to acquire the Operation Maintenance Services as described in Exhibit B for six (6) additional one-years (the "Additional Maintenance Terms"), at the prices established in Exhibit C. City's Director of Finance shall notify Contractor in writing of its exercise of its option for an Additional Maintenance Term no less than sixty (60) days prior to the end of the then current Term.

- 2 Revised Exhibit B, entitled "Operation and Maintenance Scope of Services", is hereby amended to read as set forth in Second Revised Exhibit B, attached hereto and incorporated herein.
2. Second Revised Exhibit C, entitled "Compensation", as amended, is hereby amended to read as set forth in Third Revised Exhibit C, as attached hereto and incorporated herein.
3. All of the terms and conditions of the original Agreement, First and Second Amendments, Change Orders #1 through #6, and Addendums of Minor Contract Amendment #1 & #2 not modified by this Third Amendment shall remain in full force and effect.

WITNESS THE EXECUTION HEREOF on the day and year first written above.

APPROVED AS TO FORM:

City of San José
a municipal corporation

Brian Doyle
Senior Deputy City Attorney

By _____
Name: Mark Giovannetti
Title: Purchasing Officer
Date: _____

AIR TRANSPORT IT SERVICES, INC.
A DELAWARE CORPORATION

By _____
Name: CHRISTOPHER B. KELLER
Title: PRESIDENT & COO
Date: AUGUST 28, 2011

Third Revised Exhibit C Compensation

1. The terms of payment shall be net thirty days from the date of a properly completed invoice, with invoicing to occur upon certification from contractor that it has successfully completed the following milestones:

Table 1

PHASE OF PROJECT	DELIVERABLE or MILESTONE	% OF TOTAL	AMOUNT
Submittal of detailed project schedule	City Acceptance of Final Project Plan	4%	\$324,644.00
Phase One	Completion and Acceptance by City of all Phase One Deliverables (reference Exhibit A, Section 6.1)	15%	\$1,131,595.43
Phase Two	1) Completion and Acceptance by City FAT of MUFIDS and CUPPS (reference Exhibit A, Section 6.2, items 203 – 203.6)	17%	\$1,298,575.00
	2) Completion and Acceptance by City of all deliverables in Phase 2 (reference Exhibit A, Section 6.2, items 201– 206)	21%	\$1,623,219.00
Phase Three	1) Receipt and Acceptance of Hardware and Software included in Phase 3 and 4, Sections (reference Exhibit A, Section 6.3, items 302,303 &401)	10%	\$780,933.08
	2) Completion and Acceptance by City of all Phase Three Deliverables (reference Exhibit A, Section 6.3, items 301-312)	9%	\$626,491.20
Phase Four	1) Completion and Acceptance by City of Total System Endurance Testing (reference Exhibit A, Section 6.4)	7%	\$546,611.00
	2) Completion and Acceptance by City of Final Acceptance Testing and System Close-Out (reference Exhibit A, Sections 6.4, 19.2, 19.3) except Appendix A Section 14.3.13.5 and Appendix A, Section 14.5.4	10%	\$773,932.00
	3) Additional Scope: Thin Client Scope & Equipment	4%	\$293,752.00
	4) Completion and Acceptance by City of Final Acceptance Testing for work detailed in Appendix A Section 14.3.13.5 and Appendix A, Section 14.5.4	3%	\$200,000.00
SUBTOTAL		100%	\$7,599,752.71
TERMINAL A & B BUILDOUT	Additional Phase per Notice to Proceed process for hardware and installation for expansion to Terminal A & B "Build Out"		\$2,431,846.00
	Change Order #6 – CUSS pedestal – Terminal A & Terminal B		\$211,008.35
TOTAL			\$10,242,607.06
GRAND TOTAL			\$10,242,607.06

Table 2

		Contingency	Net Amount	Balance
		Original (\$850,000 + \$468,154)		\$1,318,154.00
Change Order #1	Additional Equipment & Services (Shared Use Infrastructure)		\$482,307.43	\$835,846.57
Change Order #2	Add/Delete Equipment		\$338,620.08	\$497,226.49
Change Order #3	Delete Passenger Messaging System. Additional Professional Services & Products		(\$42,115.00)	\$539,341.49
Change Order #4	Additional Field Technicians & Products		\$34,311.20	\$505,030.29
Change Order #5	Additional Scope: Thin Client Scope & Equipment		\$293,752.00	\$211,278.29
Change Order #6	CUSS kiosks – Terminal A & B		\$211,008.35	269.94

2. All Payments are based upon City's acceptance of Contractor's performance of the Phase as evidenced by successful completion of the Deliverables for that Phase. City shall have no obligation to pay unless Contractor has successfully completed and City has approved all tasks associated with the Project Phase for which payment is due. For example, prior to submitting an Invoice for Phase 1, tasks 101 through 119 (reference Exhibit A, Section 6.1) must be delivered to and accepted by the City.

3. The maximum amount of compensation to be paid to Contractor, including both payment for professional services and reimbursable expenses, shall not exceed Ten Million Two Hundred Forty Two Thousand Six Hundred and Seven Dollars and Six Cents (\$10,242,607.06), including all applicable sales taxes. Any hours worked or additional hardware provided for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to City.

4. **Support and Maintenance** of the system for years two through six shall be exercised as options at the sole discretion of the City on an annual basis per the following compensation schedule:

Table 3

YEAR	TERM	AMOUNT	Number of Full Time Technicians (Reference Revised Exhibit B, Section 3)
1	1/1/2008 – 12/31/2008	\$576,371.00	2
2	1/1/2009 – 12/31/2009	\$1,252,138.29	6
3	1/1/2010 – 12/31/2010	\$1,352,266.58	6
4	1/1/2011 – 12/31/2011	\$1,506,141.33	6
5	1/1/2012 – 12/31/2012	\$1,421,824.00	6
6	1/1/2013 – 12/31/2013	\$1,421.824.00*	6

*In the event that the City exercises the option to extend the agreement beyond the five year option, compensation rates for the sixth year shall be subject to adjustment annually based on year five's compensation, with the adjustment to be calculated as follows:

The annual price increases (if any) not to exceed the increase in the annual average Consumer Price Index (not seasonally adjusted, All items, Base Period 1982-1984=100) for All Urban Consumers (CPI-U) for the San Francisco-Oakland-San Jose, CA Area, published by the U.S. Department of Labor, Bureau of Labor Statistics. The first contractual adjustment will be for the calendar year 2012 change in the CPI-U. The preceding provision of this Section notwithstanding, the adjustment of the compensation rates for any year shall not exceed 3% of the previous year's compensation rates.

4.1 In the event the City determines that modifications to the support and maintenance specifications are required resulting in an increase or decrease in the need for Contractor's service technicians, support of additional equipment, a change to the hours of coverage or response time, the City may at its discretion request a proposed modification of annual maintenance cost from the Contractor to reflect these requested changes. Upon written approval from City's Director of Finance an adjustment of the annual Support and Maintenance costs shall go into effect.

4.2 The annual cost per full time technician is:

Table 4

YEAR	ANNUAL COST PER TECHNICIAN
1	\$105,000
2	\$124,031
3	\$131,473
4	\$139,362
5	\$124,031
6	\$124,031

The annual rates listed above shall be used to determine the pro rata costs of increases or decreases in services discussed above. In the even that the services of a technician are utilized on a full time basis for less than one year, then the annual cost shall be pro-rated and rounded to the nearest month. For example: if a seventh technician is added in year 2 for four and a half months out of the twelve month maintenance term, then compensation shall equal \$43,750 ($\$105,000 / 12 \text{ months} \times 5 \text{ months} = \$43,750$).

Contractor shall invoice City each month, in arrears for on month of the annual compensation amount. For example, the invoice amount at the completion of the first month for year 4 shall be $\$1,252,138.29 \div 12 = \$104,344.86$.

5. Kiosk and Airline Software Support:

The annual maintenance amount in the extension period provides software support for 93 kiosks and 8 airlines. In those instances where the City purchases additional kiosks the City will be charged a pro rata cost of \$597.00 a kiosk per annum for software and monitoring support. Additionally, the City will be charged a pro rata cost of \$3,200.00 an airline per annum for airline software support for additional airlines that are added to the kiosk platform. The annual amount will also be reduced by the same pro rata cost should the number of airlines participating in the system decrease.

6. Time and Materials:

Labor rates for additional services will be based on table 5 below. Materials cost shall be as detailed in Section 7. All time and materials work must be approved in advance by the Airport. Maximum compensation for time and materials shall not exceed \$150,000 per year.

7. Time and Materials Hourly Labor Rates:

Table 5

Position/Job Title	Within North America	Outside North America
Software Engineer	\$119	\$149
Sr. Software Engineer	\$141	\$176
Software Engineering Manager	\$163	\$203
System Engineer	\$119	\$149
Sr. System Engineer	\$141	\$176
System Engineering Manager	\$163	\$203
Solution Engineer / Consultant	\$119	\$149
Sr. Solution Engineer / Sr. Consultant	\$141	\$176
Solution Manager	\$163	\$203
Project / Program Manager / Consulting Manager	\$173	\$216
Sr. Project / Program Manager / Director of Consulting	\$200	\$250

**SECOND REVISED
EXHIBIT B**

**OPERATION AND MAINTENANCE
SCOPE OF SERVICES**

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1 GENERAL

The CONTRACTOR shall provide a joint written warranty by the manufacturer(s) and the installer(s) of all equipment and services. The warranty shall warrant complete installation of the equipment, system, and software to be free from defects in materials and workmanship for a period of no less than twelve months. Line item pricing shall be provided for each of the warranty and license items detailed below.

Hardware Warranty: All hardware supplied as a part of this Specification shall have a minimum of a one year warranty.

- 1.1.1 The CONTRACTOR shall warrant that the system will conform to all applicable specifications, and shall be of good quality for the known purpose for which it is intended. This warranty shall be in addition to any standard warranty or service guarantee given by the CONTRACTOR to the CITY.
- 1.1.2 The warranty shall allow for replacement or repair of failed items at the discretion of the CITY.
- 1.1.3 Software Warranty: All software supplied as a part of this Specification shall have a minimum of a one year warranty. The warranty shall allow for replacement or repair at the discretion of the CITY. All software necessary to compile, modify, and maintain software developed for this Specification shall be included in this warranty. Software upgrades shall be provided and installed at no additional cost during the warranty period.

2 SOFTWARE LICENSE: (WARRANTY)

Commercial software packages shall have all registration and licensing documentation filed indicating the City of San Jose as the owner of the software. Costs for commercial off-the-shelf software licenses shall be included.

Software developed for this system shall be licensed to the City of San Jose. This license shall include all executable, library, object, and source code required to maintain and modify the delivered product. Where possible this information will be delivered on CD-ROM. All compilers, case tools, utilities, etc. that are needed to create the executable code shall be included.

3 ON-SITE PERSONNEL REQUIREMENTS

During the post warranty period, the CONTRACTOR shall provide on-site service technicians to allow for immediate response to emergency service conditions during standard business working hours (4:00 AM to 11:00 PM). The CONTRACTOR shall provide on site service technicians at a staffing level as approved by the Airport who shall split their individual on-site work shifts so that technicians are on-site between the hours of 4:00 AM and 11:00 PM seven (7) days per week. CONTRACTOR shall clearly describe alternate personnel arrangements that may be required to provide the post-warranty services described herein. The current approved staffing level is six full time on-site service technicians. Staffing may be increased or decreased as directed by the Airport with 30 days written notice. Airport acknowledges that CONTRACTORS current performance requirements is based on the current staffing level of six full-time on-site service technicians and any decrease in staffing will result in CONTRACTOR not guaranteeing the current service level and thereby waiving any Liquidated Damages for any Performance Breach under this agreement.

The CONTRACTOR shall provide fully qualified and factory trained service personnel, of the same caliber as noted below, who shall be available twenty-four hours per day, 365 days per year for any post-warranty service required during non-working hours.

Service personnel performing installation and maintenance on the system shall be manufacturer certified on all hardware / software applications. These service personnel shall have the appropriate experience to perform such work, as determined by the CITY's Contract Manager. Pre-assigned backup technicians shall be available to replace on-site technicians who are on vacation, in training or who are out sick.

When required and when it does not impact with the service technicians' ability to provide post warranty service requirements, the CITY may, at no additional cost, use the on-site service technicians for additional services.

The CONTRACTOR shall warrant the Integrated Systems completely and provide the necessary number of on-site personnel to accomplish and meet all warranty obligations at no additional cost to the CITY. The minimum number of personnel required is based on the quantities and systems required for the fully built-out shared use environment in terminals A & B at the conclusion of the Terminal Area Improvement construction project. In the event the CITY increases the quantities of gates or ticket counters, the CONTRACTOR shall propose adequate support personnel and associated costs to provide the same level of support described and impacts of service delivery should proposed staffing recommendations not be accepted. In the event the CITY increases the quantities or systems to be covered and does not accept CONTRACTORS proposed support personnel requirements, and associated cost to provide the same level of support, or proposed changes to support levels, CONTRACTOR will not guarantee the level of support described within this agreement. The CITY reserves the right to provide support for any additional devices or systems directly or under separate contract with others.

4 ADDITIONAL WARRANTY SERVICES

The CONTRACTOR shall provide scheduled non-emergency warranty maintenance service during the post warranty period. This shall include, but not be limited to, new additions, modifications, repairs, adjustments, and general routine preventative maintenance during standard business work hours (i.e. between the hours of 4:00 AM and 11:00 PM, seven days per week. When the CITY requests non-emergency service before 11:00 AM (Monday – Friday), the CONTRACTOR shall prioritize the service request(s) in light of scheduled work for that day and provide the service that same day.

The CONTRACTOR shall provide non-scheduled emergency warranty maintenance service during the post warranty period. During standard business working hours, emergency service requests shall be responded to immediately. Emergency service requests occurring outside standard business working hours shall be provided within a two hour period after such service has been requested, twenty-four hours per day, seven days per week.

Emergency Failure: A system failure is considered an emergency if any of the key components are inoperative to the extent the system cannot function in a normal manner. Emergency services shall include inspections and necessary tests to determine the causes of equipment or software malfunction or failure. The emergency services shall include: software changes, and the furnishing and installation of components and parts required to replace malfunctioning system elements. The CONTRACTOR shall specify a maximum amount of time to get the system up and operational in the event of an emergency failure. This time period shall be subject to CITY approval.

Emergency failures shall include situations described below. Note that “inoperative” shall be defined as a hardware or software failure that results in a device not meeting the functional, operational, or performance requirements defined herein.

4.1 MUFIDS (includes MUFIDS servers, display devices, display device controllers, airline workstations, and baggage input consoles):

- 4.1.1 All MUFIDS servers are inoperative or one is inoperative for greater than five days.
- 4.1.2 Two or more Gate Information Displays are inoperative.
- 4.1.3 A MUFIDS monitor bank is inoperative.
- 4.1.4 Fifteen percent or more of the MUFIDS display devices are inoperative.
- 4.1.5 Twenty-five percent or more of the MUFIDS workstations are inoperative.
- 4.1.6 The third occurrence or greater of the same system failure in a thirty day period.
- 4.1.7 The seventh occurrence or greater of the same system failure in any time period.

4.2 **EASE (INCLUDES EASE SERVERS, WORKSTATIONS, CUSS, AND PERIPHERAL DEVICES):**

- 4.2.1 All EASE servers are inoperative or one is inoperative for greater than five days.
- 4.2.2 Three or more Gate workstations (at separate gates) are inoperative.
- 4.2.3 Two or more gate workstations at a single gate are inoperative.
- 4.2.4 Three or more ticket counter workstations are inoperative.
- 4.2.5 Three or more CUSS stations are inoperative.
- 4.2.6 Fifteen percent or more of the EASE peripheral devices are inoperative.
- 4.2.7 The third occurrence or greater of the same system failure in a thirty day period.
- 4.2.8 The seventh occurrence or greater of the same system failure in any time period.

4.3 **AODB (INCLUDES AODB SERVERS):**

- 4.3.1 All AODB servers are inoperative or one is inoperative for greater than five days.
- 4.3.2 The third occurrence or greater of the same system failure in a thirty day period.
- 4.3.3 The seventh occurrence or greater of the same system failure in any time period.

4.4 RMS (INCLUDES RMS SERVERS AND WORKSTATIONS):

- 4.4.1 All RMS servers are inoperative or one is inoperative for greater than five days.
- 4.4.2 Two or more RMS workstations are inoperative.
- 4.4.3 One RMS workstation is inoperative for greater than five days.
- 4.4.4 The third occurrence or greater of the same system failure in a thirty day period.
- 4.4.5 The seventh occurrence or greater of the same system failure in any time period.

4.5 LOCAL AREA NETWORK AND VOIP SYSTEMS (INCLUDES LAN AND VOIP EQUIPMENT)

- 4.5.1 The total loss of one or more Access or Core Layer switches (i.e. switch is inoperable). This shall encompass loss due to any hardware, software, or configuration-related issue.
- 4.5.2 The total loss of one or more modular Access Layer switches (i.e. switch is inoperable). This shall encompass loss due to any hardware, software, or configuration-related issue.
- 4.5.3 Failure of switching control protocols. This shall include failures which result in 'bridge loops' and data packet loss due to hardware, software, or configuration-related issues (for example, a failure of any of the various Spanning Tree Protocols which are employed -- like STP, RSTP and MSTP).
- 4.5.4 Loss of IP routing (i.e. Layer 3) functionality, which results in misdirected or dropped data packets.
- 4.5.5 Any switch which has a port loss of 30% or greater of its overall port density.
- 4.5.6 10% or more of the trunks in a particular route group are non-operational at the same time.
- 4.5.7 10% or more of all active stations (voice and/or data) in any one switch or remote module are non-operational at the same time.
- 4.5.8 The loss of any of the:
 - 4.5.8.1 Equipment module or node
 - 4.5.8.2 Carrier connection
 - 4.5.8.3 Attendant connection
 - 4.5.8.4 T-1/PRI/DS1
 - 4.5.8.5 Voice mail system
 - 4.5.8.6 Any loss of station or services comprising over 20 percent of a single department or tenant's telephone service, where the total service includes greater than twenty (20) stations.
 - 4.5.8.7 One or more features that affect SJC's normal business operations or affects any safety or security issues at the airport.
 - 4.5.8.8 The third or greater occurrence of the same system failure within a thirty day period.
- 4.5.9 CONTRACTOR shall provide input to the list of Emergency Failures listed above. Any modifications to this list shall require approval from the CITY Contract Manager.

5 RESPONSE TIMES

5.1 ONSITE HOURS:

During the onsite times of 0400-2300 Pacific Time, CONTRACTOR's response time for all Help Desk Tickets will be 20 minutes from the time the Help Desk calls

CONTRACTOR, creates a trouble ticket, pages or faxes such trouble ticket to CONTRACTOR. Immediate assistance will be given to resolve the problem.

5.2 GENERAL SUPPORT

- 5.2.1** The resolution time for Level-One Support will be 30 minutes from the time CONTRACTOR receives the call, page or faxed ticket from Help Desk. CONTRACTOR will notify the User and Help Desk via e-mail when the problem has been resolved.
- 5.2.2** 98% of all Integrated Systems project hardware components, defined as the Responsibility of the CONTRACTOR, should be resolved by Level-One Support within the time shown above. All trouble tickets and associated resolution times will be recorded by CONTRACTOR and the percentage will be measured over each calendar month.
- 5.2.3** An end-user device will be considered available only if all components are operating and fully functional. The availability of any individual workstation will be at least 95.0% between the hours of 0600-1800 Pacific Time.

5.3 OFF-SITE HOURS

- 5.3.1** During Off-Site service hours, telephone response by Level –One Support to the first page will be made within 30 minutes. Initial dial in or travel to SJC in an attempt to resolve the ticket as described above will be within 120 minutes. The problem will be restored within the timeframes described below:
- 5.3.2** For Emergencies - 120 minutes (or 6:30 am; 30 minutes following commencement of onsite hours). Emergency as defined in item #4 above.
- 5.3.3** For Non-emergency, restoration will be eight hours (or 6:00 am; two hours following commencement of on-site hours).
- 5.3.4** The priority for restoration of service failures will be network, servers followed by critical interfaces and end-user devices. Any changes to the restoration priority will be documented by the City and will be provided to AirT to be followed in case of service failures.
- 5.3.5** Gateway availability will be 95.0% or greater between 0400-2300.. Any non-emergency network downtime will occur after 24 hours' notification has been provided to the City and its Users.
- 5.3.6** The above measurements of availability for CONTRACTOR will only be based on events within CONTRACTOR's control (the core room equipment and user devices. If the measured item is not available due to reasons outside of CONTRACTOR's control, such as but not limited to problems with the airline host, wide area network and or operator error, such non-availability will be excluded from the measurement of availability of the above items.

- 5.3.7** Warranty / Maintenance Log: The CONTRACTOR shall maintain a bound Maintenance Log Book of all preventative maintenance and corrective / repair services performed during the warranty period. The Log shall be in a CITY approved format. The Log shall be available for inspection by the CITY at any time during the time period that it covers. The Maintenance Log Book shall be turned over at the completion of the warranty / maintenance contract. The Log shall be kept on a component-by-component (equipment number) basis, with separate sections or volumes, as appropriate, for each component. The Log shall itemize the history of preventative maintenance and corrective/repair activities, stating the character, duration, cause, cure of all malfunctions and the individual's name that completed the repair. The Log shall record all software and hardware updates. This log shall also be kept electronically and provided to the CITY at the end of the warranty period.
- 5.3.8** Spare Components and Parts Replacement: The CONTRACTOR shall provide a store of consumables and spare parts as required. The consumables and spare parts shall be available to the CONTRACTOR for use during the post warranty period. The CONTRACTOR shall replenish the store as it is used, so that at the end of the warranty period, the store shall be equal to that initially provided. Based upon the maintenance experience of the warranty period, the CONTRACTOR shall recommend, at the end of the warranty period, any changes in spare component and small part stores that may prove to be appropriate. The spare component store shall be turned over to the CITY's designated representative at the end of the CONTRACTOR's warranty period.
- 5.3.9** Response Escalation Plan: The CONTRACTOR shall submit a recommended a final response escalation plan that addresses – at a minimum - the criteria outlined in Section 6. All repairs are to be made as expeditiously as possible. If parts are immediately unavailable, the fastest means of shipment shall be used, including overnight-expedited shipping.

6 RESPONSE ESCALATION

CONTRACTOR's response escalation plan is based on problem severity levels, and the associated response time(s) specified in the previous Section, as follows:

6.1 LEVEL-ONE SUPPORT

- 6.1.1** CONTRACTOR will respond to trouble calls reported with-in 20 minutes from receipt of call.
- 6.1.2** CONTRACTOR technician will investigate the trouble reported and make best efforts to correct the problem within 30 minutes from response.
- 6.1.3** In the event the technician is unable to correct the problem in a reasonable timeframe (not to exceed 2 hours), or the problem is outside the scope of the work defined herein, the technician will immediately contact the appropriate support technicians for assistance.
- 6.1.4** The CONTRACTOR technical supervisor will monitor all calls for compliance with stated times and to arrange any necessary further support in a timely manner.

6.1.5 If the Help Desk Ticket cannot be resolved within two hours by Level-One Support, CONTRACTOR will escalate the ticket to:

- CONTRACTOR Factory Support Services
- The Original Equipment Manufacturer
- Escalate to other applicable organizations within the airport
- Escalate with other external maintenance organizations to resolve the problem.

6.1.6 CONTRACTOR will call the Help Desk or, through direct access, update the trouble ticket.

6.1.7 CONTRACTOR will remain the owner for all such trouble tickets, follow-up daily and provide reports as to the City as required.

6.1.8 When the problem is resolved and verified, CONTRACTOR will call the Help Desk or, through direct access, close the trouble ticket. A statement of the corrective action(s) will be provided in the description before trouble ticket can be closed.

6.1.9 When an outage exceeds, or is likely to exceed the Service Level, all affected Operation Contacts, will be notified.

6.1.10 In no event will more than two hours pass from receipt of a trouble ticket before it is escalated and CONTRACTOR has notified all City designated management entities of the problem.

6.2 LEVEL-TWO SUPPORT

6.2.1 Initial local escalations will be generated by either the CONTRACTOR technicians or the technical manager monitoring open service calls.

6.2.2 If First Level Support cannot resolve a problem within two (2) hours, or if the problem is found immediately to be not within First Level Support capability, the ticket will be escalated to Second Level support.

6.2.3 In the event Second Level support is needed, the CONTRACTOR technician will contact the appropriate CONTRACTOR headquarters hot line. Once a critical issue is reported to the CONTRACTOR Hot Line, an CONTRACTOR/Factory Customer Support Engineer will respond to all inquiries within fifteen (15) minutes to begin the investigation process on the problem reported. This engineer is responsible for documenting all information related to the problem. Once a solution is found for the reported problem, it is tested and implemented to correct the problem at the site. After implementation, the resolution is documented for future reference and tracking purposes.

6.2.4 At Second Level, if required, CONTRACTOR will dispatch appropriate technical specialized support personnel to the trouble location to assist as necessary.

6.2.5 CONTRACTOR's technician will remain directly involved in the trouble resolution, providing the Second Level support or the CONTRACTOR specialized support personnel with on-site assistance, while updating the Help Desk and airport management with repair and activity status using, telephone, email or pager.

6.3 LEVEL-THREE SUPPORT

- 6.3.1** If a problem is not resolved within six (6) hours, it will be elevated to Third Level Support. Third Level Support combines CONTRACTOR local technical support management, airport IT and Operations management, along with CONTRACTOR's Technical Support Center resources and the higher level departmental management levels of the CONTRACTOR and the airport. The purpose of involving so many people at this level is to create a full support team whose primary focus is to resolve the trouble by committing all available resources and talents. All repairs will be made as expeditiously as possible. If parts are immediately unavailable, the fastest means of shipment shall be used, including overnight-expedited shipping.

7 ON-SITE SUPPORT REQUIREMENTS

The CITY shall be authorized to request the CONTRACTOR to perform additional work. The CONTRACTOR shall make an allowance for each twelve (12) month period for additional work and parts. All additional work and parts or equipment replacement must have prior written authorization from the CITY.

The CONTRACTOR shall provide replacement parts and materials and shall provide, exchange, replace, or install new parts for all defective, worn, or missing parts, when such replacement is required to maintain proper system operation. In addition, the CONTRACTOR shall provide new parts and materials as requested by the City to accommodate changes in system configuration or expansion of system that may arise during the Agreement. Upon request by CITY, CONTRACTOR shall provide CITY a written quotation for all new and replacement parts and materials. The written quotation for any replacement parts and materials shall be based on CONTRACTOR's actual direct cost from its supplier plus thirty percent (30%), which markup shall include any administrative cost, overhead, packaging, shipping, delivery, and profit, but exclusive of any applicable sales tax. CONTRACTOR shall not process any purchase of new or replacement parts and materials unless authorized in writing by CITY. The CITY also reserves the right to purchase any equipment outside this agreement. Implementation that cannot be completed by on-site staff will follow the process for Time & Materials work described in section 8.

Upon CITY request, the CONTRACTOR shall submit all documentation such as CONTRACTOR quotes from supplier, price list, invoices, statements, cancelled checks, and other supporting documentation required by CITY to support CONTRACTOR quotes for new and replacement parts and materials. In the event that the cost of new or replacement parts exceeds 25% of the replacement value of the equipment under service, the CONTRACTOR shall cease work and notify the CITY. The CITY reserves the right to authorize work continuance or withdraw the equipment from service.

The CONTRACTOR shall maintain the network and related network components based on the latest PCI (Payment Card Industry) Security Standards (www.pcisecuritystandards.org).

The CONTRACTOR shall maintain the AirIT Systems, specifically EASE and CUSS, to ensure they meet the latest PCI Security Standards (www.pcisecuritystandards.org). AirIT will be responsible for coordinating any efforts with 3rd Party Vendors who provides those systems such as CUSS. If there is any cost of PCI remediation by the 3rd Party Vendor, AirIT will submit a quotation to the Airport for consideration and approval.

Preventive and Routine Maintenance: Preventative maintenance services shall include inspection, testing, necessary adjustment, lubrication, parts cleaning, and software upgrades. Routine maintenance services shall include scheduled overhauls as recommended by the equipment and software manufacturer.

Hardware Support: Hardware support shall be supplied by the CONTRACTOR directly or by a subcontractor approved by the CITY Contract Manager. Support shall cover all equipment and systems referenced in this specification.

8 HARDWARE/SOFTWARE SUPPORT:

For custom software, the firm who developed the software shall provide the support.

Support for COTS software, if different than base system support, shall be specifically identified and approved by the CITY Contract Manager.

Support Availability: The CONTRACTOR shall commit to maintain the Integrated Systems for nine (9) years after the initial warranty period. Use of CONTRACTOR-provided post warranty maintenance will be at the discretion of the CITY.

Response Escalation Plan: The CONTRACTOR shall maintain the approved response escalation established during the initial warranty period. Any updates must be approved by the CITY Contract Manager.

Maintenance Log: The CONTRACTOR shall maintain a bound Maintenance Log Book during the maintenance period that follows the same guidelines established in this section.

Time and Materials (T&M): All T&M work shall be performed during standard business working hours, as defined, unless otherwise approved by the CITY. All T&M work performed by the on-site staff, will be at no additional charge to the CITY. If off-site staff is required to perform the requested T&M work, a work order for Time and Expense will be issued by the CITY and will be charged at the agreed upon rates described in Revised Exhibit C, Compensation. All hardware and software shall be quoted and authorized as required in Section 7. T&M work is considered secondary to maintenance and shall not be performed until all service calls have been cleared. If a Time and materials order must be performed after hours, it must be approved by the appropriate CITY personnel and it will be charged at the agreed upon rates listed in Revised Exhibit C.

9 LIQUIDATED DAMAGES (PERFORMANCE BREACHES)

Contractor and City agree that meeting the Service Levels set forth in this Agreement are critical to the City's ability to provide services to the public at the Airport. Contractor and City further agree that City would be damaged by Contractor's failure to meet the Service Levels described below and that making a precise determination of the amount of damages resulting from Contractor's breach would be impracticable and/or extremely difficult . THEREFORE, CONTRACTOR AND CITY AGREE THAT IN THE EVENT OF ANY OF THE FOLLOWING "PERFORMANCE STANDARD BREACHES," CONTRACTOR SHALL PAY TO CITY THE AMOUNT SPECIFIED BELOW AS LIQUIDATED DAMAGES FOR THE APPLICABLE BREACH.

Reference	Description of Breach	Liquidated Damage Amount
Sections 4, 5.	Any Emergency Failure that lasts longer than five consecutive days on any system described above (MUFIDS, CUPPS, PMS, AODB, RMS, Local Area Network and VoIP).	\$250.00 per hour per occurrence.
Sections 4, 5.	Response Time to calls for Emergency Failures: Failure to respond within 20 minutes of call being placed.	\$250.00 per hour per occurrence, \$5000.00 maximum per occurrence
Sections 4, 5.	Response Time for Non-Emergency Failures: Failure to respond within 20 minutes of call being placed.	\$100.00 per hour per occurrence, \$2000.00 maximum per occurrence.

CITY: _____

CONTRACTOR: _____