

**CONTRACT FOR REQUEST FOR PROPOSALS #16-042
BETWEEN CITY OF PENSACOLA AND
ELITE LINE SERVICES, INC.
for Maintenance and Operation of the Baggage Handling System
and Passenger Loading Bridges at Pensacola International Airport**

THIS CONTRACT FOR REQUEST FOR PROPOSALS #16-042 (“Contract”) is made this _____ day of _____, 20___, by and between the City of Pensacola (“City”), a Florida municipal corporation created and existing under the laws of the State of Florida, and Elite Line Services, Inc., (“Contractor”), a corporation authorized to do business in Florida, located at 1505 Luna Road, Suite 100, Carrollton, Texas 75006, (the City and Contractor collectively referred to hereinafter as the “Parties”).

WITNESSETH:

WHEREAS, the City opened a Request for Proposals #16-042, on November 3, 2016 (“RFP”), as described in the RFP #16-042 for Baggage Handling System and Passenger Loading Bridge Operation and Maintenance Services, as modified by any addendum to the RFP (“Addenda”), as attached hereto as Exhibit A and incorporated herein by this reference (the RFP and Addenda collectively referred to hereinafter as the “RFP Documents”); and

WHEREAS, in response to the RFP, the Contractor submitted to the City a Proposal, dated November 2, 2016, (“Proposal”) attached hereto as Exhibit B and incorporated herein by this reference; and

WHEREAS, the City has awarded the agreement for the RFP documents to the Contractor; and

WHEREAS, the Parties desire the Contractor perform the agreement as described in the RFP Documents and the Proposal and pursuant to the terms and conditions of this Contract (the RFP Documents, Proposal and this Contract collectively referred to hereinafter as the “Contracting Documents”); and

WHEREAS, the Parties desire to enter into this Contract;

NOW, THEREFORE, in consideration of the work to be performed and the payment for the performance of the work, and of the mutual covenants contained herein and the mutual benefits to flow each unto the other, and for other good and valuable consideration, the Parties agree as follows:

Section 1. Recitals.

The recitals contained above are declared by the Parties to be true and correct and are incorporated into this Contract.

Section 2. Definitions, Interpretations and Exhibits.

2.01 Definitions Except as otherwise clearly indicated by the context, the words and phrases defined in this section shall have the following meanings when used in the Contracting Documents.

- A. "**Airport**" shall mean the Pensacola International Airport, located in Pensacola, Florida.
- B. "**Airport Director**" shall mean the Airport Director as appointed by the City, the successor or successors to the duties of such official, or any other person designated and authorized to act on behalf of said Airport Director.
- C. "**Assigned Areas**" shall mean those rooms in the passenger terminal assigned to the contractor for their office/control room and for the storage of spare parts.
- D. "**Budget**" shall mean the Contractor's annual budget approved for the Baggage Handling System in accordance with Section 9, including any approved amendment thereto.
- E. "**Commencement Date**" shall mean December 14, 2016.
- F. "**City**" shall mean the City of Pensacola, generally acting by and through its Airport Director, or a duly authorized representative of the Airport Director.
- G. "**Contract Year**" shall mean each consecutive twelve (12) month period beginning on the Commencement Date.
- H. "**Contractor's Reimbursement**" shall mean the amount due the Contractor as reimbursement for those approved direct expenses incurred for managing and operating the Baggage Handling System. Contractor's Reimbursement shall be outlined in an annual budget reviewed and approved by the Airport Director.
- I. "**Contractor's Compensation**" shall mean the amount due the Contractor as reimbursement for those indirect overhead fees and profit associated with the administration of the Baggage Handling System. Contractor's Compensation shall be an amount as included in Contractor's proposal for the maintenance and operation of the Baggage Handling System.
- J. "**Baggage Handling System**" shall mean those inbound and outbound conveyor systems and sub-systems currently in existence, or hereafter constructed, provided and assigned by City under the Contracting Documents, for the moving and processing of checked baggage at the Airport, which is depicted on Exhibit C to the Contracting Documents and further described in Section 3.
- K. "**Operating and Contingency Manual**" shall mean Contractor's Operating and Contingency Manual approved pursuant to Section 4.
- L. "**Performance Guarantee**" shall mean a performance bond as described in the Contracting Documents and in the format shown in Exhibit J.
- M. "**Proposal Documents**" shall mean the documentation described in Section 2.

N. **"Reimbursement" or "Reimbursements"** shall mean those reasonable and necessary direct payroll expenses, fringe benefits, maintenance, and operating expenses directly incurred in the maintenance and operation of the Baggage Handling System authorized under the Contracting Documents, as further described in Section 9 and included in Contractor's annual budget approved by the Airport Director. Reimbursements shall not include any cost or expense covered within Contractor's Compensation or any cost or expense incurred by Contractor as a result of Contractor's intentional misconduct, negligence, violation of law, breach of any term or condition of the Contracting Documents, any penalty, charge or the amount of any liquidated damages payable by Contractor under the Contracting Documents, or any cost or expense resulting from Contractor's indemnity obligations under the Contracting Documents.

O. **"Site Manager"** shall mean Contractor's site manager for the Baggage Handling System recommended by Contractor and approved by the Airport Director pursuant to Section 4 hereof, and who shall be assigned to and located at the Airport.

P. **"TSA"** shall mean the federal Transportation Security Administration.

2.02 Interpretation

A. Words importing persons shall include firms, associations, partnerships, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

B. Words importing the singular shall include the plural and vice versa.

2.03 Incorporation of Exhibits

The Contractor hereby expressly agrees the following Exhibits attached hereto and incorporated herein are material parts of this Contract:

Exhibit A RFP Documents

Exhibit B Proposal

Exhibit C Baggage Handling System

Exhibit D Baggage Handling System Maintenance Schedule

Exhibit E Spare Parts

Exhibit F Manning Schedule

Exhibit G Passenger Loading Bridge Maintenance Schedule

Exhibit H Request for Monthly Reimbursement Format

Exhibit I Annual Budget Format

Exhibit J Performance Guarantee Format

Section 3. Baggage Handling System and Equipment.

3.01 Baggage Handling System

City hereby makes available to Contractor the Baggage Handling System, solely for the purpose of providing the baggage handling maintenance and operation services specified herein.

3.02 Description of System

The Baggage Handling System shall be comprised of the three inbound baggage belts serving the Baggage Claim Area of the Airport, as shown on Exhibit C, and the outbound in-line screened baggage handling system serving the ticketing area to include the take-away belts behind the airline ticket counters, primary baggage handling screening area, secondary baggage resolution area, and airline sort piers in the baggage make-up area. The Baggage Handling System shall not include the three L3 machines or the On-Screen Resolution or Secondary Resolution equipment utilized by the TSA.

3.03 Assigned Areas

The City shall assign a 196 sq. ft. office located in the main terminal from which the Contractor will monitor the in-line screened baggage handling system and shall assign a 218 sq. ft. room and a 191 sq. ft. room for the storage of spare parts and equipment. These areas are depicted on Exhibit C. The assigned rooms and the dimensions of the assigned rooms are subject to change at the Airport Director's discretion.

3.04 Changes and Additions to Baggage Handling System

City reserves the right, at any time it deems appropriate or necessary, to alter, change, improve, decrease, remove from or add to the Baggage Handling System, including, but not limited to, the right to add, temporarily or permanently, additional belts, systems and equipment to the Baggage Handling System to be operated hereunder. If any of the Baggage Handling System is modified, Contractor agrees to maintain and operate the same under the Contracting Documents and City and Contractor shall review and modify the budget as required. Changes to Baggage Handling System shall be reflected in a revised Exhibit C provided to Contractor by the City.

3.05 Access to Airport and Baggage Handling System

A. City hereby provides to Contractor the right of ingress and egress with respect to the Airport and more specifically the Baggage Handling System, to the extent necessary, for the purpose of maintaining and operating the system.

B. The Airport Director shall have the right at all times to direct or prescribe regulations governing and controlling the use of the Baggage Handling System.

C. Contractor shall have the right to the use of vehicular parking facilities for its employees at the Airport. Such facilities shall be located in an area designated by the Airport Director, and that area is subject to change at the discretion of the Airport Director.

3.06 Baggage Handling Equipment

A. City hereby authorizes Contractor to maintain and operate the baggage handling equipment described in Exhibit C and situated within the Terminal Building.

B. City also authorizes Contractor to utilize, maintain and operate such additional equipment and

additions and improvements to the Baggage Handling System as may hereafter be installed or made or purchased by City or by Contractor, with the approval of Airport Director, under the provisions of Section 11, subject to the addition of same to Exhibit C to the Contracting Documents.

3.07 Utilities

Except as otherwise provided for herein, all utilities required for the Baggage Handling System shall be provided by City and City shall pay the utility charges for the same directly to the utility provider. Notwithstanding the foregoing, Contractor shall arrange and pay for monthly telephone service charges it may require and include such cost as an expense within its monthly reimbursement.

3.08 Contractor's Acceptance of Facilities and Equipment

Contractor hereby acknowledges that it has examined the Baggage Handling System as it exists on the commencement date hereof and accepts the same for use "as is" in its present condition.

Section 4. Maintenance and Operation of Baggage Handling System.

4.01 Retention of Contractor

City hereby retains Contractor to maintain and operate the Baggage Handling System at the Airport and those additional portions as may be designated in writing by the Airport Director, including temporary or permanent systems, when and if established, and assigned by the Airport Director. Contractor hereby agrees to maintain and operate said Baggage Handling System in accordance with all terms and conditions of the Contracting Document.

4.02 Policy and Obligations Governing Agreement

Contractor hereby acknowledges and agrees that it is aware that in entering into the Contracting Documents with City, the City has charged Contractor with the responsibility and duty to be a pro-active resource to the City, assuming the primary role in providing, managing, scheduling, equipping, operating and maintaining the Baggage Handling System, services and resources for and on behalf of the City. In furtherance of this responsibility to City, Contractor agrees to provide the technical and operational management expertise, and the personnel, labor, materials, supplies and equipment to maintain and operate the Baggage Handling System as outlined herein.

4.03 Operation

A. Contractor shall operate and maintain the Baggage Handling System in a first class manner utilizing in all respects the highest standards and best practices found in Baggage Handling System operations in the United States. Contractor shall employ practices which will maximize operational time and minimize down time, while remaining consistent with the high quality of service required for Airport customers and patrons by City.

B. Hours of Operations: Contractor shall staff the operation so that personnel are on site twenty (20) hours a day, seven (7) days a week, three hundred sixty-five (365) days per year. The exact

hours and staffing levels shall be determined by the City and Contractor. Once staffing levels have been approved by the City, Contractor shall not deviate from the same without the approval of the City.

C. User Interface: Contractor shall interface with and coordinate its work with the City and other users of the Baggage Handling System including the airlines and TSA.

D. Daily System Start-Up: Contractor shall start the Baggage Handling System each morning and ensure the same is ready to receive baggage before flight operations.

E. Operational Monitoring: Contractor shall monitor the Baggage Handling System throughout the day and respond to and clear any fault conditions. Contractor shall monitor the Baggage Handling System for improper usage by the various users to include baggage hygiene, general misuse or abuse and shall report the same to the Airport Director.

F. User Training: Contractor shall train all users on the use of the Baggage Handling System (outbound and inbound systems) and on proper baggage hygiene protocols.

G. Fault Conditions: The Contractor shall respond to and rectify all fault conditions which may or may not have been caused by operational personnel. Examples may include baggage jams, motor overloads, E-stop conditions, etc... The Contractor shall have personnel on-scene within five (5) minutes. The Contractor shall notify the Airport, the TSA and the airlines of fault conditions, the estimated time or repair and the type of fall-back procedure to be implemented during the Baggage Handling System's fault condition. The Contractor shall advise the affected system's user airline(s) of any required device reassignments as a temporary measure to implement fall back procedures. Once the fault is resolved, the Contractor will assign the device back to the original user.

H. User Complaints: Contractor shall handle user complaints in accordance with the procedures established by Contractor, approved by the Airport Director, and included in Contractor's Operating and Contingency Manual.

I. Operating and Contingency Manual: No later than sixty (60) days after the Commencement Date of the Contracting Documents, Contractor shall develop an Operating and Contingency Manual for the operation of the Baggage Handling System, all provisions of which shall be subject to the written approval of the Airport Director. Said manual shall address, at a minimum, the following subjects: (1) Contractor's conceptual approach for the operation and maintenance of the Baggage Handling System; (2) general operating and management policies; (3) employee job descriptions; (4) employee wage and compensation schedules; (5) employee code of conduct; (6) employee training guides; (7) employee schedules; (8) accident and incident procedures; (9) maintenance procedures (including schedule and tasks to be performed daily, weekly, monthly, quarterly and annually, equipment to be used or leased, hours of work, and number of employees required); (10) equipment maintenance procedures (including schedule and tasks to be performed daily, weekly, monthly, quarterly and annually, as well as emergency repairs procedures/contracts); (11) emergency procedures; (12) contingency plans for each covered element of the Baggage Handling System outlining actions to be immediately implemented by the Contractor to allow baggage handling activities to continue while implementing repairs to

the failed item; (13) Site Manager's home and mobile phone numbers; and (14) company personnel policies. It shall be the responsibility of Contractor to continuously update the contents of the manual to ensure that at all times it reflects the most current policies and procedures for the maintenance and operation of the Baggage Handling System. All of said changes shall be subject to written approval by the Airport Director.

J. Conduct: Contractor and its agents, employees, contractors and subcontractors shall conduct themselves in an orderly and proper manner so as not to disturb, annoy or offend others at the Airport. Upon notification by the Airport Director of any violation hereof, Contractor shall forthwith take all reasonable measures necessary to terminate the offensive, disorderly, or improper conduct.

K. Laws and Rules: Contractor and its agents, employees, contractors and subcontractors shall at all times observe and comply with all City, local, state and federal laws, ordinances, regulations and policies. Contractor agrees to observe and abide by all procedures, rules and regulations promulgated from time to time by the Federal Government, the City or the Airport Director concerning security matters, baggage matters, and any other operational matters related to the operation of the Airport.

4.04 Maintenance

A. Maintenance In General: The Contractor shall provide for the routine and non-scheduled maintenance of the covered equipment in accordance with the manufacturer's specifications and using as a minimum the maintenance schedule attached as Exhibit D. The Contractor will be responsible for providing any additional scheduled preventative maintenance above and beyond the minimum specified above that may be required to meet the performance criteria specified herein. For each baggage handling sub-system, the following types of maintenance shall be performed:

- Routine Maintenance: Activities such as routine inspections and tests designed to identify any unusual or abnormal equipment condition. Routine maintenance shall be as included in the maintenance plan provided by the baggage handling equipment supplier.

- Scheduled Maintenance: Activities required to keep the Baggage Handling System operating at the prescribed levels of safety, efficiency and reliability, which are performed on a regular basis at specified intervals. Scheduled maintenance activities shall be included in the maintenance plan provided by the baggage handling equipment supplier.

- Non-Scheduled Maintenance: Any corrective measure or repair necessitated by an inspection, a failure, or unusual circumstances adversely affecting the normal Baggage Handling System operation. Non-scheduled maintenance may be required as a result of unsatisfactory conditions discovered during an inspection or because of an operational failure. Non-scheduled maintenance shall be performed on a priority basis as necessary to meet the required system service availability.

- Ordinary Wear & Tear: Any corrective measure or repair that may be required because of ordinary wear and tear.

- Other Maintenance: Maintaining updated maintenance manuals, maintenance of testing equipment, maintenance of tools, equipment and furniture.

B. Technician Training: The Contractor shall train all maintenance personnel as required for the performance of the Contracting Documents. In addition to the training of the initial personnel, the Contractor shall train all replacement or added personnel to meet the requirements of the Contracting Documents. This shall include the responsibility for obtaining any training required from the original equipment supplier.

C. Computerized Maintenance Management System: The Contractor shall use a computerized maintenance management system to schedule and track all Baggage Handling System maintenance work performed. The maintenance management system shall provide up-to-date information on replacement parts usage, routine and preventative maintenance procedures performed for each component, scheduled and non-scheduled maintenance reports, inspection reports and fault reports. All reports shall have the ability to be sorted by date or type of procedure or failure and must be able to be printed on demand. Additionally the system shall maintain and track replacement parts usage.

D. Removal From Operation: The Contractor shall not *remove* any device from operation without approval of the Airport Director unless the device's continued use could, in the opinion of the Contractor, be a safety or security hazard. Upon removal of a device from service, the Contractor shall immediately notify the Airport Director of such action.

E. Maintenance Scheduling: Baggage Handling System maintenance shall be scheduled in such a way that the interference with, or effect upon, the operation of the Baggage Handling System is minimized. To minimize operational impact to the user airlines and TSA, the Contractor shall carry out the maintenance and/or repairs of the equipment at night and during off-peak periods whenever possible.

F. Manufacturer Directives: The Contractor shall check each device to ensure that any safety directive issued by the manufacturer subsequent to the manufacture and installation of the equipment has been adequately addressed and shall inform the Airport Director of deficient items.

G. Cleaning: In addition to the preventative maintenance services referenced in Exhibit D, the Contractor shall perform the following items relative to cleaning equipment:

- On a quarterly basis, the Contractor shall clean inbound bag claim devices 1, 2 and 3 in baggage claim. During this cleaning the Contractor shall remove sufficient pallets so that the inner framework and flooring beneath will be exposed. The Contractor shall clean the exposed framework and flooring of all dirt, dust and debris. The Contractor shall pressure wash the pallets and shall clean the stainless steel trim with BB Brute SSC or other approved cleaner and polish the same.

- On a quarterly basis, the Contractor shall clean the stainless steel trim of the outbound belts at the ticket counters with BB Brute SSG or other approved cleaner and polish the

same.

- On a monthly basis, the Contractor shall clean out the T-Sections of the outbound belts at the ticket counters to clear larger debris from pinch points
- On a weekly basis, the Contractor shall clean the stainless steel trim of the outbound belts at the ticket counters using a household stainless steel cleaner.
- On a daily basis, the Contractor shall clean the twelve automatic tag reader scanner arrays.

H. Testing: In addition to the preventative maintenance services referenced in Exhibit D, the Contractor shall perform the following tests:

- Daily barcode tote test to ensure all scanner heads are working properly.
- Daily oversize bag test to ensure the scanners are correctly aligned and properly analyzing luggage.
- Hourly inspection of read rate percentages using the SICK CPU to ensure all scanners are clean and free from debris.
- Monthly tests of each airline bag tag printer through the use of a Quickcheck 800 Verifier or similar bar code tester to evaluate airline read rate of bar codes generated via the printers.

4.05 Equipment, Parts and Chemicals

A. The Contractor shall provide all equipment, tools and permits required to provide the services, including but not limited to scissor lifts, fork trucks, and baggage carts for manual transport of bags to the resolution area in the event of a system failure.

B. The Contractor shall maintain a full stock of spare parts as included in Exhibit E and shall work with the Airport Director to procure and re-order spare parts as needed. All parts used by the Contractor in the prosecution of this contract shall be approved by the manufacturer of the equipment for use in the devices being maintained. Should the City order parts and materials through the Contractor, such parts and materials shall be invoiced for payment from the City at the prevailing Contractor's cost. Prevailing Contractor's cost shall be defined as the Contractor's actual cost of material, plus shipping, plus ten percent (10%) for Contractor's overhead expenses. Storage of spare parts shall be the responsibility of the Contractor, and the Contractor shall do so within the space provided by the City.

C. Whenever an item of spare parts, equipment, expendables or consumables is used by the Contractor in the performance of the Contracting Documents, such item shall be repaired and/or replaced in the spare parts, equipment, consumable and expendable inventory as provided under the Contracting Documents.

D. Should any part be covered under warranty, the Contractor shall be responsible for accurately recording, tracking and returning the part to the respective manufacturer for replacement under the terms of the warranty.

E. Contractor shall provide an annual budget amount to the Airport Director for the purchase of replacement parts based on past and anticipated usage.

F. Should the Contractor use any chemicals in the performance of the contract to be entered into, the Contractor shall furnish and use only those chemicals that have been approved for use in such

services and which the successful bidder is licensed to use. Restricted-use chemicals shall not be used without the prior written approval of the Airport Director.

G. The Contractor will be required to provide the Airport Director with all appropriate Material Safety Data Sheets for the chemicals used in the performance of the contract.

4.06 Software Technical Service Agreement

The software in use for the baggage handling system was designed and written for the Pensacola International Airport by Siemens Energy and Automation, Inc. In order to support the software, the City shall enter into a technical service agreement with Siemens Customer Service Group, and the Contractor shall be authorized to utilize this agreement for software support issues.

4.07 Reports

The Contractor shall prepare various reports on the status of the system and submit the same to the Airport Director. Reports shall include fault reports indicating the date, time, type and cause of fault conditions, daily and weekly baggage processing reports, preventative maintenance reports detailing scheduled and non-scheduled work performed, and system performance reports to provide performance statistics with respect to all performance criteria specified herein.

4.08 Operational and Performance Requirements

A. The Contractor acknowledges and agrees that the Baggage Handling System will be used by the airlines seven days a week, every week of the year, a minimum of approximately 18 hours a day. The Contractor shall carry out and perform its obligations, duties and responsibilities in the least intrusive manner possible so as to minimize any effects upon, disruption to, interference with or interruption of the airlines' and TSA's use and operation of the Baggage Handling System, the airlines' or TSA's activities that are related to or connected with the use and operation of the Baggage Handling System and any of the City's facilities and ongoing operations located in the areas adjacent to the Baggage Handling System.

B. The Contractor shall be responsible for maintaining a certain level of Baggage Handling System reliability/availability which shall be recorded by the Contractor on a daily basis and included in reports to the Airport Director. Reliability shall be measured in terms of availability, with availability of a given sub-system defined as follows:

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

Where the variables are defined as follows:

- A= Availability
- ST = Scheduled Operating Time: The scheduled time that the subsystem is available for baggage processing
- RT = Repair Time: The interval of time between the detection of a failure or fault condition and the return of the subsystem to operation after the condition has been

remedied/repared

- The Contractor is responsible for providing sufficient personnel so that all baggage jams will be cleared within 5 minutes of arriving on scene. Any delay beyond 5 minutes of arriving on scene minutes shall be identified in performance reports and charged against the repair time calculation. A failure is defined as any malfunction of a subsystem component, assembly or sub-assembly which stops normal operations. The following shall not be classified as a failure:
 - Malfunctions due to causes outside the system/subsystem such as sabotage, general power outage, L3 machine downtime.
 - Malfunctions due to baggage jams not caused by failure of a sub-system component, assembly or subassembly (except in the case of excessive response time as noted above).
 - Incipient failures which are detected and repaired without affecting normal operation of the subsystem.
 - Malfunction of one of a redundant computer/pic pair where the repair time does not affect normal operations of the system.

C. The Contractor shall be responsible for maintaining a certain level of Baggage Handling System tracking accuracy whereby tracking accuracy is defined as the system's ability to identify and control the location of baggage from the start point of tracking to the luggage pier. To this end, the Contractor shall maintain all tracking devices (shaft encoders, etc...) and other related components as required to achieve continuous tracking of no less than 100%. Luggage tracking begins at the first photo eye on any given ticket counter induction belt and continues until the bag reaches the last photo eye on the main line and is dispatched to an individual sort pier. Security tracking begins when the luggage enters an L3 machine. The tracking continues until the first vertical sortation unit. If luggage is deemed "cleared" it will be sorted up to the cleared baggage line and the security tracking will end at the CB-02 photo-eye at which point normal luggage tracking will take over again. If luggage is deemed "alarmed" by the L3 machine, it will be sorted down to the suspect bag line. Security tracking for an "alarmed" bag will continue until it reaches the Suspect Bag 4 Vertical Sortation Unit. If during transit from the L3 machine the alarmed bag has been deemed "cleared" by the TSA, it will sort up to the cleared bag line at the CB4-02 photo-eye at which point normal luggage tracking will take over again. If during transit from the L3 machine the alarmed bag is deemed "suspicious" by the TSA, it will sort down to the Suspect Bag 4 line and security tracking will continue until it reaches the TSA CBRA room.

D. Each day of each invoice period will be evaluated in terms of Availability (as described in Section 4) and Tracking (as described in Section 4) performance. The Contractor shall include the figures in the monthly invoice submittals to the Airport Director. Each invoice period (i.e. month) shall be divided into equal portions representative of each day in that period (i.e. 30 parts for a 30-day invoice period). If the Availability (A) for a given day is less than 0.99 (99%), a payment factor may be applied by the City to that day (i.e. to that day's portion of the regular invoice amount) in accordance with the following:

Availability (A)	Payment Factor
99.0 – 100.0	1.00
98.9 – 98.99	0.99
98.8 – 98.89	0.98
98.7 – 98.79	0.97
98.6 – 98.69	0.96
etc...	

For example, if one day in a 30-day invoice has a 98.95% Availability and all other days were 99% or greater, then a 0.99 payment factor would be applied to one thirtieth of the normal invoice amount.

For any calendar month during the contract that the Baggage Handling System does not achieve or will not achieve an average 99% system availability, the Contractor will, at its expense, promptly undertake reviews, to include a review of maintenance staffing and procedures, and shall within one month propose a plan to the Airport Director for corrective actions. Corrective actions shall be at no added expense to the City and shall be documented by the Contractor.

E. The Contractor shall also track and report on a monthly basis the performance of the in-line screened baggage system against the following performance parameters required for the initial system certification:

Minimum Number of Bags Able To Be Throughput By Total System in a 1 Hour Period:

	765 bags
Error Rate (unknowns):	No greater than 2.0%
Total Error Rate:	No greater than 3.0%
Jam Rate:	No greater than 1.0%
Failsafe Rate:	No greater than 0.5%

The Contractor shall report these figures on a monthly basis and for any month where any category fails to comply with the stated parameters, the Contractor shall provide an explanation of the reason for the failure and the actions taken to investigate and correct the same.

4.09 Emergency Response

A. The Contractor shall have sufficient resources and personnel whereby they are able to respond to Pensacola International Airport within 48 hours should a situation arise that is outside of the ability of their local personnel to address.

B. In the event of destructive weather such as a hurricane, the Contractor will be tasked with a comprehensive review of the Baggage Handling System to determine suitability for operation, and shall be tasked with services needed to repair any resultant damage. Given the importance of the Airport to community-wide recovery efforts, the Contractor must have sufficient resources and personnel, not including those locally, to respond to the site in an expeditious manner. Said response shall be considered an Extra Service as outlined in Section 9.

4.10 Personnel

Contractor shall recruit, hire and train such management, supervisory, and maintenance personnel as are necessary to maintain and operate the Baggage Handling System in accordance with the terms of the Contracting Documents, including the manning schedule, as included in Contractor's proposal and shown in Exhibit F to the Contracting Documents. Contractor shall complete its transition and be up to full staffing within thirty (30) days of commencement. The personnel requirements shall specifically include the following:

A. Site Manager/Assistant Site Manager: Contractor shall select and appoint an experienced and qualified Site Manager whose duty and responsibility shall be the day-to-day management of the maintenance and operation of the Baggage Handling System only at the Airport on behalf of Contractor. The Site Manager shall be assigned a duty station in the terminal where he/she shall be available a minimum of forty (40) hours per week during normal business hours. The Site Manager shall be vested with full power and authority to conduct the normal and ordinary operations of Contractor, including the authority to regulate the appearance, conduct and demeanor of Contractor's employees and agents. The Site Manager shall be available during scheduled working hours. During his or her extended absence, a responsible subordinate with commensurate authority shall be in charge and available and acting as the designated "Assistant Site Manager". He or she shall at all times be accessible by telephone or mobile phone for emergencies. In the event of the Site Manager's absence, there shall be designated an acting or Assistant Site Manager who will take on the job tasks and authority of the Site Manager, during such absence. The Site Manager shall be subject to the initial and continuing approval of the Airport Director.

B. Shift Supervisors: Contractor shall select Shift Supervisors to assist the Site Manager in the supervision of all aspects of the Contracting Documents, and shall act as the Site Manager in the absence of the Site Manager or Assistant Site Manager. The Assistant Site Manager may act in the capacity of Shift Supervisor during his/her scheduled hours.

C. Technicians and Other Employees: In addition to the Site Manager, Contractor shall select, hire and train such full-time and part-time maintenance technicians, operational support laborers and other support personnel as are necessary to meet the staffing and manning schedules for the operation of the Baggage Handling System as are developed by Contractor and approved by Airport Director. Contractor shall develop staffing levels and personnel schedules reflecting the demand created at the Baggage Handling System by airline schedules and passenger loads, including season and weather-related fluctuations to the same. The initial staffing and manning schedule for the Baggage Handling System at the commencement date of the Contracting Documents are delineated on Exhibit D. Personnel shall be paid an hourly direct wage not less than the minimum hourly wage as required by Federal or State law.

D. Existing Employees: For the sake of continuity, the Contractor shall endeavor to employ the individuals who, before the commencement date of the Contracting Documents, are tasked with the maintenance and operation of the Baggage Handling System. "Endeavor to employ" shall mean the Contractor shall interview existing employees in accordance with Contractor's standard employment practices. Contractor is not obligated to hire any existing employee who does not satisfactorily complete any pre-employment interviews, tests, reference checks or background checks otherwise performed as part of Contractor's normal pre-employment process.

E. Personnel Qualifications: Unless otherwise agreed to by the Airport Director, Contractor shall hire personnel in accordance with the job descriptions and employee qualifications as outlined in Contractor's proposal for the operation and maintenance of the Baggage Handling System.

F. Corporate Resources: Contractor shall provide, as part of its obligations hereunder and without additional compensation, the resources of its corporate staff to support the maintenance and operation of the Baggage Handling System, including but not limited to resources to support the actual equipment and extraordinary operations problems.

G. Addition and Deletion of Personnel: The Airport Director shall have the right, from time to time, and at any time, upon ten (10) days written notice to Contractor, to require Contractor to add or delete personnel, whether permanent or part-time employees, from the initial approved schedule of staffing at the Baggage Handling System, as shown on Exhibit F, and Contractor shall comply with the Airport Director's instructions forthwith. Contractor may recommend additions or deletions of personnel, but all of said additions shall be subject to the Airport Director's approval.

H. Oversight and Control of Personnel

1. Contractor shall screen, select and train personnel that have the requisite skills, technical ability, employment history, criminal history and personal background to perform the duties to which they are assigned.

2. All personnel shall be uniformed.

3. Contractor's employees at the Airport shall be courteous and clean and neat in appearance at all times.

4. Contractor's employees shall not use improper language or act in a loud, boisterous or otherwise improper manner.

5. Contractor's employees shall comply with City's smoking policy or regulation, as it now exists, and as it may be hereafter amended.

6. Contractor's employees shall not drink an alcoholic beverage while on duty, take or be in possession of illegal drugs or be under the influence of a drug or alcoholic beverage while on duty.

7. Contractor's employees shall not permit friends, family or others to come into the work areas.

8. Contractor's employees shall not bring any weapon upon the Airport premises nor possess a weapon while on the Airport premises.

9. Contractor shall promptly reassign to positions not at the Airport any employees not meeting the standards imposed by Contractor, the Contracting Documents or the requirements of the City for personnel working at the Airport.

10. Contractor shall promptly report to the Airport Director any theft or suspected theft from the facility, any improper use of the baggage system or discharge of employee due to actual or suspected dishonesty or misuse.

11. Contractor shall immediately remove from service at the Airport any employee the Airport Director requests for any reason whatsoever.

4.11 Contractor's Prohibitions

A. Contractor shall not permit its maintenance and operation functions with the Baggage Handling System to constitute a nuisance and shall not conduct its business in a loud, boisterous or otherwise improper manner so as to annoy, disturb or offend customers, patrons, concessionaires or tenants of City.

B. Contractor shall not alter, modify, improve or change the Baggage Handling System without the prior written approval of the Airport Director.

C. Contractor shall not post, install or erect any sign, placard or poster at the Baggage Handling System or anywhere at the Airport without the prior written permission of the Airport Director. Such signs as may from time to time be permitted by the Airport Director shall be made, posted, maintained and removed in accordance with his or her approval and directions. The Airport Director shall have the right to remove unauthorized signs at Contractor's sole cost and expense.

D. Contractor shall not do anything in or upon the premises, nor bring or keep anything therein, which shall unreasonably increase or tend to increase the risk of fire, or cause a safety hazard to persons, or which violates or causes violation of any applicable health, fire, environmental or other regulation, or law, regulation or policy of any federal, state or local government agency.

4.12 Reports

The Contractor shall prepare various reports on the status of the system and submit the same to the Airport Director. Reports shall include fault reports indicating the date, time, type and cause of fault conditions, daily and weekly baggage processing reports, preventative maintenance reports detailing scheduled and non-scheduled work performed, and system performance reports to provide performance statistics with respect to all performance criteria specified herein.

Section 5. Passenger Loading Bridges.

The passenger loading bridges are comprised of ten (10) John Bean Technologies (JBT) Corporation passenger loading bridges, including pre-conditioned air units, ground power units and baggage valets located on each bridge.

The contractor shall furnish all services, labor, materials, equipment, tools, insurance, permits, and fees (if any) necessary to perform quarterly passenger loading bridge maintenance services at gates 1-10 at Pensacola International Airport, excluding the pre-conditioned air units, but including the ground power units, and baggage valets located on each bridge.

Section 6. Maintenance of Passenger Loading Bridges.

The Contractor shall furnish all services, labor, materials, equipment, tools, insurance, permits, and fees (if any) necessary to perform quarterly passenger loading bridge maintenance services for the John Bean Technologies (JBT) Corporation passenger loading bridges at gates 1-10 at the Pensacola International Airport, excluding the pre-conditioned air units, but including the ground power units, and baggage valets located on each bridge using as a minimum the maintenance schedule attached as Exhibit G.

The Contractor shall not remove any device from operation without approval of the Airport Director unless the device's continued use could, in the opinion of the Contractor, be a safety or security hazard. Upon removal of a device from service the Contractor shall immediately notify the Airport Director of such action.

Passenger loading bridge maintenance shall be scheduled in such a way that the interference with, or effect upon, the operation of the passenger loading bridge is minimized. To minimize operational impact to the user airlines and TSA, the Contractor shall carry out the maintenance and/or repairs of the equipment at night and during off-peak periods.

The Contractor shall check each device to ensure that any safety directive issued by the manufacturer subsequent to the manufacture and installation of the equipment have been adequately addressed and shall inform the Airport Director of deficient items.

6.01 Quarterly Bridge Maintenance

Each quarter, the Contractor shall inspect, repair, and lubricate the affected passenger loading bridges in accordance with the Exhibit G. Daily visual inspection and operational performance of the passenger loading bridges at designated gates are not the responsibility of the Contractor. During the semi-annual inspections, Contractor shall pressure wash all bridge exteriors. During the annual inspections, the Contractor shall treat and/or touch up exterior chips, cracks, and rust as needed.

6.02 Load Bank Test

On a semi-annual basis, the contractor shall perform a full load bank test on each ground power unit to ensure proper operation and voltage output. Said test shall simulate actual operations procedures in accordance with the Exhibit G.

Section 7. Contractor's Obligations.

The Contractor shall perform all work and services described in, and in accordance with, the Contracting Documents. The Contractor warrants that all equipment, materials and workmanship furnished whether furnished by Contractor or its sub-suppliers, will comply with the Contracting Documents and any City specifications, drawings and other descriptions supplied or adopted, and will be new, fit and sufficient for the purpose for which they are intended, of good materials, design and workmanship and free from defects or failure. The Airport Director, or his duly authorized representative, shall at all times have full opportunity to inspect the materials to be furnished and the work to be done under this Contract. The Contractor shall comply with all applicable federal, state and local laws, ordinances, rules and regulations pertaining to the performance of this

Contract. The Contractor is responsible for and shall indemnify City against all damage or loss caused by fire, theft or otherwise, to materials, tools, equipment, and consumables left on City property by the Contractor.

Section 8. Term.

8.01 Term

Subject to earlier termination as may be provided here, the term of the Contracting Documents shall commence on January 14, 2017 and shall continue for a period of thirty-six consecutive months terminating at midnight on January 13, 2020.

8.02 City's Option to Extend

City reserves the right to renew the Contracting Documents, at the sole discretion of the City and under terms and conditions to be determined by the City, for two (2) additional one (1) year terms. If the City chooses to exercise its right to renew the Contracting Documents, the Contractor shall be notified of the terms and conditions to which the City shall exercise this right one hundred fifty (150) days before the expiration of the Contracting Documents. The Contractor shall have the choice as to whether to accept the City's proposal or allow the Contracting Documents to expire and shall so notify the City within thirty (30) days of receipt of City's proposal. Nothing in this paragraph shall be construed as to require the City to exercise such option to renew or as to require the Contractor to accept such proposal from the City.

8.03 Continuation after Term

Should Contractor continue to maintain and operate the Baggage Handling System, upon the expiration of the term, or any extension thereof, without notice of cessation or termination by City, said continuation shall be deemed a month-to-month renewal of the Contracting Documents terminable by City, without cause, upon thirty (30) days written notice to Contractor.

8.04 Transition

Upon expiration or earlier termination of the Contracting Documents, Contractor agrees to cooperate fully with the City and with any successor Contractor chosen by City to ensure a smooth transition from Contractor to such successor.

Section 9. Payment.

The Contractor agrees to perform all work and services in the Contracting Documents and to furnish all necessary labor, materials, equipment, machinery, tools, apparatus, and means of transportation related to such work and services at Contractor's sole cost and expense, in consideration of the amounts to be paid by the City in accordance with the Contracting Documents, specifically including Exhibit B and this Section 9, upon the complete performance by Contractor, or based on unit prices if applicable, or based on partial payments approved by the City, only after written acceptance by the City pursuant to the Contracting Documents, and such payment in accordance with the Florida Prompt Payment Act. The Contractor agrees to pay to the City any

difference between the sum to which the Contractor would be entitled herein upon the completion of the work and services in the Contracting Documents, and the sum to which the City may be obliged to pay for the completion of performance by the Contractor or other party, and any damage, direct or indirect, or consequential, which may be sustained on account of Contractor's acts or omissions in the performance of this Contract.

9.01 Reimbursements

As approved in advance and in writing by the Airport Director, Contractor shall be reimbursed for any of the following costs it incurs in managing and operating the Baggage Handling System:

A. Direct salaries and wages, including overtime, of personnel while directly employed on-site in the maintenance and operation of the Baggage Handling System under the Contracting Documents. Any overtime reimbursement requested from City shall be within the overtime allowance established in Contractor's approved Budget and, upon request of Airport Director, may be required to be accompanied by an explanation of the need for such overtime.

B. The fringe benefit costs on direct salary and wage costs, allowable under Paragraph A above, including the cost of unemployment, excise and payroll taxes, contributions for social security and Medicare insurance, worker's compensation insurance, retirement benefit payments, hospitalization benefits and vacation and holiday pay, if any.

C. Other allowable direct non-salary costs incurred by Contractor for the maintenance and operation of the Baggage Handling System, which shall include the following:

1. costs for its operation of an on-site Airport office, including such items as office supplies, postage, telephone expense, computer programming, and furnishings;

2. the cost of all other on-site direct management and operating expenses, including, but not limited to, signage, forms, uniforms, contract services, rental of equipment, general supplies, utilities expense, if any, and such other reasonable and necessary direct non-salary costs approved in Contractor's annual Budget;

3. Contractor's approved Amortization Payment, if any, allowable pursuant to Section 11.

D. No expenses other than those specified herein as Reimbursements shall be reimbursed to Contractor. Contractor's costs for overhead, corporate and regional office expenses and all indirect, non-site specific costs are covered within "Contractor's Compensation" provided for in Section 9, including but not limited to the following: salaries and related costs and expenses of nonresident or indirect legal, accounting, audit, administrative, operations, bookkeeping and executive personnel of the Contractor who provide indirect services to the Contractor's operations at the facilities; business licenses and permits; franchise fees; assessments; bookkeeping fees; administrative fees; accounting fees, except for sales taxes and permit fees incurred on items and services purchased for the Baggage Handling System; federal, state, and local income and personal property taxes incurred by the Contractor or any individual of the Contractor's operations; accounting and audit department costs; information system costs; travel expenses of home office or regional Contractors; general office expenses; entertainment, accommodations, or equipment; contract negotiation expense; performance bonds or bid bonds;

costs of settlements of legal disputes involving human rights violations, legal claims and suits, including, without limitation, sexual harassment claims or environmental claims; claim management fees; leasing, maintenance or utility costs of other Contractor facilities; the cost of any legal penalties, fines or tickets incurred by the Contractor or the Contractor's employees, agents or invitees; and all costs of working capital including those related to site operations. Reimbursement will not be made for any expense not included in Contractor's approved annual Budget for said Baggage Handling System, as further described in Section 9.

9.02 Contractor's Compensation

In addition to the Reimbursement allowable to Contractor pursuant to the terms of Section 9 above, City shall pay the Contractor for Contractor's performance hereunder, an overhead multiplier percentage of 3.00 (three) % on the direct wages and salaries included in the monthly request for reimbursement, and a profit multiplier percentage of 2.25 (two and one-quarter) % on the direct wages, salaries and overhead included in the monthly request for reimbursement.

9.03 Request for Reimbursement and Compensation

Not later than fifteen (15) business days after the close of each month under the Contracting Documents, Contractor shall prepare and file with the Airport Director a written request for Reimbursement and Contractor's Compensation in the format described in Exhibit H to the Contracting Documents ("Request for Reimbursement and Contractor's Compensation"). The request shall be certified by the Site Manager and Contractor's finance department representative responsible for preparation of said request. The request shall be accompanied by a copy of Contractor's payroll for all employees who worked at the Airport for the month certified by the Contractor's officer or Contractor responsible for the preparation of Contractor's payroll for said month, together with receipts for other Reimbursements shown for the month. The Airport Director shall review and either approve or disapprove, in whole or in part, the amount of each Request for Reimbursement and Contractor's Compensation.

Any disputed invoices or charges shall be deducted from the Contractor's invoice. The City shall provide Contractor, in writing at the time of payment of monthly invoices, reasons for deductions. Contractor, within thirty (30) days, has the right to present a written explanation of disputed invoices or charges to the City. The City shall determine validity of the disputed invoices or charges based on additional documentation supplied by Contractor. If approved after additional documentation is considered, the amount shall be added to the next invoice paid by the City. The City's decision in any matter pertaining to disputed invoices or charges is final.

Cumulative monthly reimbursements for expenses for any budget line item shall not exceed the annual Budget for each category unless approved in advance in writing by the Airport Director.

9.04 Payment of Contractor's Reimbursement and Compensation

The City issues checks for payment of invoices on the 10th of each month. The signed copy of a correct invoice must have been received by the Office of the Airport Director prior to the 25th of the previous month for consideration for payment on the 10th of the month. Items received on or after the 25th will be processed in the following payment cycle.

9.05 Contractor's Annual Budget

Prior to the Commencement Date of the Contracting Documents, and thereafter one-hundred fifty (150) days prior to each anniversary of the Contracting Documents, Contractor shall prepare and submit to the Airport Director for his or her written approval a monthly budget for all expenses to be incurred during the year. The budget shall be in the format described in Exhibit F attached hereto with appropriate supporting detail, including detail of direct salary and wage expense, fringe benefit costs and supporting schedules for major categories of operating expense comprising Reimbursements. The form and content of said supporting data will be agreed to by the Airport Director and Contractor as part of the initial budget approval process under the Contracting Documents. The Airport Director shall notify the Contractor of any changes to the budget or budget approval on or before the anniversary date of the Contracting Documents. Once approved by the Airport Director, all operating expenses included in the annual budget shall be considered authorized and reimbursable and said approved Budget shall be the control limit on reimbursements to Contractor. Once the annual budget is approved, the Contractor shall not make any changes to items within the budget, including salary and wage levels, without obtaining prior approval of the Airport Director. Written authorization from the Airport Director shall be considered appropriate authorization. Any expense incurred by the Contractor that is greater than one hundred dollars (\$100) above the pre-approved budget in any single month period may be disallowed for reimbursement by the City.

9.06 Extra Services

Should the Airport Director request additional work outside the scope of the Contracting Documents or request emergency response, the work will be invoiced separately. Labor for such work will be paid at the rates as contained on the proposal sheet for the trades listed. All travel and lodging expenses for said additional work will also be paid by the City. Should the Contractor be required to obtain the use of heavy equipment such as forklifts and cranes in order to perform any element of work, the use of the equipment would be considered as an additional cost and the actual cost for the use of the equipment would be paid by the City. All such additional work will require copies of receipts and time sheets.

Should any additional services be necessary in order to correct faulty work performed by the Contractor's personnel, all costs relating to said extra services shall be the responsibility of the Contractor. In the event the Contractor uses parts and materials from the City's inventory in order to correct faulty work performed by the Contractor's personnel, the Contractor shall provide the City with replacements for said parts and materials within thirty working days.

All trouble calls that are handled over the telephone shall not be invoiced to City.

Section 10. Maintenance and Repairs and Improvements.

10.01 City Maintenance and Repairs

A. Except as provided in Section 10, City shall be responsible for all structural and ordinary maintenance and repairs to the roof, floor, exterior walls and windows, lighting, electrical systems and service lines serving the Baggage Handling System and assigned areas, and hvac systems serving the Baggage Handling System and assigned areas.

B. The cost of any repair, replacement or maintenance incurred by City, other than ordinary wear and tear, as a result of Contractor's negligence or intentional misconduct, that of its subcontractors, or those others over which Contractor has control or right of control, shall be reimbursed to City by Contractor and said cost shall not be allowable as a Reimbursement.

C. The City shall not be liable to Contractor, the Contractor's employees, patrons, or vendors for any damage to their merchandise, trade fixtures, or personal property caused by water leakage from the roof, water lines, sprinkler, or heating and air conditioning equipment unless caused by the sole negligence of the City, its employees or agents.

D. The City shall provide at its expense custodial services to the non-leased/non-assigned public areas of the terminal building and shall provide pest control services for all areas of the terminal building including that assigned to and used by the Contractor.

10.02 Contractor's Maintenance and Repairs

A. Contractor shall be required to keep all of the assigned to it in a neat, clean, safe, sanitary and orderly condition at all times. Contractor will keep such areas free at all times of all paper, rubbish and debris, and Contractor will deposit all trash and debris resulting from its operations in containers approved by the Airport Director.

B. Contractor agrees to provide, at its own expense, such janitorial and cleaning services and supplies for the maintenance of its assigned areas. Contractor shall also keep and maintain the assigned areas in a clean, neat, and sanitary condition and attractive appearance

C. Contractor shall perform ordinary preventive maintenance and ordinary upkeep and non-structural repairs of all assigned areas including but not limited to fixtures, doors (except for locks and keys), floor coverings, and walls (painting and wall coverings) with said maintenance costs to be reimbursable. Contractor shall be required to keep all such areas in good operating condition at all times.

D. Contractor shall have the duty to promptly notify the Airport Director or his or her authorized designee of any conditions or events that would necessitate City performing any of its maintenance, repair or replacement obligations under the above provisions of Section 10.

10.03 City's Right to Inspect Maintenance

Should Contractor fail to perform its maintenance obligations in conformance with the terms and conditions of this article within a period of seven (7) days following written notice of such failure, the Airport Director reserves the right to take any action to cure said failure on behalf of the Contractor and Contractor agrees to promptly reimburse the City for administrative costs equal to ten percent (10%) of total cost.

10.04 Use of Subcontractors

The Contractor shall not subcontract for performance any of the terms or conditions of the Contracting Documents without prior written consent of the City. Notwithstanding anything herein to the contrary, should the Contractor employ a subcontractor for any performance under the Contracting Documents, the Contractor shall expressly remain obligated and responsible

for all such performance and that the performance be in exact accordance with the terms and provisions herein. In the event that Contractor employs subcontractors to perform any maintenance or repair obligation of Contractor, Contractor shall provide City with the identification of said subcontractor, an indemnity to City covering said subcontracted work from said subcontractor, and certificates of insurance, in form and substance acceptable to City, evidencing liability, workers compensation and other applicable insurance required under Contractor's approved procurement process and naming the City as additional insureds; provided that such indemnity and insurance shall be in addition to that provided by Contractor, and shall not relieve Contractor of its insurance and indemnity obligations otherwise provided herein to City.

Section 11. Authorization of and Reimbursement for Equipment and Improvements

11.01 Approvals for Baggage Handling Equipment, Operating Equipment and Improvements

As of the execution date of the Contracting Documents, there is no Contractor-owned Baggage Handling Equipment or Operating Equipment or Contractor-constructed improvements at or within the facilities.

A. Process and Procedures: Before Contractor may acquire any Baggage Handling Equipment or Operating Equipment for, or make any improvements to the Baggage Handling System, Contractor must request approval from the Airport Director to acquire the equipment or make the improvements and provide the Airport Director with the justification and the cost therefor, the procurement specifications to be used to obtain the equipment or make the improvements, the allowable costs of financing therefor, if any, and the estimated useful life of the equipment or improvement. Upon written approval by the Airport Director, Contractor shall proceed to acquire the equipment or make the improvement in accordance with the approvals, in accordance with the procurement process approved by the Airport Director. Upon completion of the purchase or improvement, the equipment or improvement, its cost and useful life, and its Amortization Payment shall be incorporated into revised Exhibit C. In addition, the Airport Director shall also have the right to require Contractor to procure additional Baggage Handling Equipment or Operating Equipment or make improvements to the Baggage Handling System that she or he deems necessary under the procedures as outlined aforesaid. Upon acquisition of the equipment or completion of the improvement, Contractor shall provide the Airport Director with evidence of payment to its contractors, subcontractors and suppliers, and with verification of final costs in form and substance acceptable to the Airport Director.

11.02 Purchase of Equipment and Payment for Improvements

If, upon the expiration or termination of the Contracting Documents, Contractor and City do not enter into an agreement providing for the continued maintenance and operation of the Baggage Handling System by Contractor, City shall pay Contractor for the unamortized cost of any Baggage Handling Equipment and Operating Equipment purchased for the operation of the Baggage Handling System and the unamortized cost of any improvement constructed for the Baggage Handling System approved by Airport Director and remaining un-reimbursed. Upon payment by City, Contractor shall provide City with all warranties and maintenance manuals.

11.03 Other Provisions Governing Equipment Acquisition and Improvements

The Contractor shall follow and strictly comply with the following provisions in its procurement of equipment and making any improvement under the provisions of Section 11 above.

A. General: Contractor will not acquire any Baggage Handling Equipment or Operating Equipment nor make any alterations or improvements to the Baggage Handling System until after first obtaining the written consent of the Airport Director in accordance with Section 11. All installations of equipment and alterations and improvements to the Baggage Handling System made by the Contractor shall be made in a workmanlike manner without damage to the Baggage Handling System, except such damage that is promptly repaired or corrected by the Contractor. No installation, improvement or alteration shall be made unless the Airport Director shall first review and approve in writing the plans and specifications for such installation, alteration or improvement, and Contractor shall have obtained all applicable building permits.

B. Construction Bonds and Insurance

1. Bonds: Prior to the Airport Director granting authority to Contractor to proceed with the installation of any equipment or the construction of improvements or alterations, Contractor may be required to provide construction completion and labor and material payment guarantees, in a sum equal to the full cost of the installation or construction. Such guarantees shall be substantially in the form required for City procurements and improvements.

2. Insurance: Prior to the Airport Director granting authority to proceed with the installation of any equipment or the construction of any improvement or alteration, Contractor or its contractor shall take out and maintain during the construction period additional insurance as may be required by the City.

C. All Equipment and Improvements to Conform with Statutes: All improvements, furniture, fixtures, equipment and finishes, including the plans and specifications therefore, constructed or installed by Contractor, its agents or contractors, shall conform in all respects to applicable statutes, ordinances, building codes, and rules and regulations. Any approval given by the City or the Airport Director shall not constitute a representation or warranty as to such conformity; responsibility for compliance with all such laws and rules and regulations, including obtaining all necessary permits and approvals, shall at all times remain with Contractor. Contractor shall reimburse the City for all costs and expenses the City incurs:

as a result of the fact that the improvements, additions, or alterations do not comply with local, state and federal law;

in defending against, settling or satisfying any claims that the City is responsible for paying for improvements commissioned by Contractor hereunder; or

in defending against, settling or satisfying any mechanic's lien claims, asserted as a result of unpaid-for improvements commissioned by Contractor hereunder.

D. Disapprovals: In the event of disapproval by the Airport Director of any portion of any plans or specifications, Contractor shall promptly submit necessary modifications and revisions thereof for approval by the Airport Director. The Airport Director shall act promptly upon such plans

and specifications and upon requests for approval of changes or alterations in said plans or specifications. No substantial changes or alterations shall be made in said plans or specifications after initial approval by Airport Director, and no alterations or improvements shall be made to or upon the Baggage Handling System without the prior written approval of the Airport Director. The City, through the Airport Director, shall have the absolute right to disapprove the installation of any equipment or the construction of any improvements or alterations and such refusal shall be deemed reasonable and final.

E. Provision of As-Built Drawings: Upon completion of any installation, improvement or alteration, Contractor shall provide City two (2) completed sets of as-built drawings in reproducible form as specified by City, if such as-built drawings were required in City's approval to Contractor under Paragraph A above. Contractor agrees that, upon the request of City, Contractor will inspect the installation or improvement jointly with City to verify the as-built drawings.

F. Title to All Equipment: Except as may be otherwise specified in writing in the Airport Director's approval to Contractor pursuant to Paragraph A above, title to all equipment acquired and improvements made to the Baggage Handling System shall immediately pass and vest in City upon installation or completion. Title to trade fixtures provided by Contractor, which are not included as Baggage Handling Equipment or Operating Equipment and for which the purchase price has not been charged to City, hereunder shall remain in Contractor.

G. Right to Other Property: Except as may otherwise be provided for herein, Contractor shall have the right upon the termination of the Contracting Documents to remove any of its trade fixtures, expendables, and personal property, if any, from the facility that have not assumed the nature of an improvement or fixture to real property and/or have not been paid for by City as a Reimbursement or otherwise under Section 11; provided, however, that Contractor is not then in default hereunder, and provided further that Contractor, at its sole cost and expense, shall repair or shall reimburse the City for the cost of repairing any damage that may be caused by such removal. Upon failure of Contractor to remove such property within twenty-four (24) hours after the date of termination of the Contracting Documents, the Airport Director shall have the right to remove such property, notwithstanding any security interest in same, and to store it, and Contractor shall pay to the City the cost of such removal and storage or at the option of the City's representative, any such property remaining after the termination of the Contracting Documents shall immediately be and become the property of the City.

H. Removal of Items:

1. Should Contractor construct improvements, alterations, or additions or install equipment without fulfilling its obligations hereunder, Contractor shall remove said items if so directed by the Airport Director, and shall do so at its own expense and within the time limits specified.

2. Except as may be provided for herein, Contractor shall not remove or demolish, in whole or in part, any improvements or equipment upon the premises without the prior written consent of

the Airport Director.

Section 12. Reserved.

Section 13. Insurance and Indemnification.

13.01 General

Before starting and until termination of work for, or on behalf, of the City, the Contractor shall procure and maintain insurance of the types and to the limits specified.

The term City as used in this section of the Contracting Documents is defined to mean the City of Pensacola itself, any subsidiaries or affiliates, elected and appointed officials, employees, volunteers, representatives and agents.

The Contractor and the City understand and agree that the minimum limits and types of insurance herein required may become inadequate during the term of the Contracting Documents. The Manager agrees that it will increase or change such coverage as required by the City within ninety (90) days upon receipt of written notice from the Airport Director.

13.02 Insurance Requirements

Insurance shall be issued by an insurer whose business reputation, financial stability and claims payment reputation is satisfactory to the City, for the City's protection only. Unless otherwise agreed, the amounts, form and type of insurance shall conform to the following minimum requirements:

A. Worker's Compensation

The Contractor shall purchase and maintain Worker's Compensation Insurance Coverage for all Workers' Compensation obligations as legally required. Additionally, the policy, or separately obtained policy, must include Employers Liability Coverage of at least \$100,000 each person -accident, \$100,000 each person- disease, \$500,000 aggregate- disease.

B. Commercial General, Automobile, and Umbrella Liability Coverages

The Contractor shall purchase coverage on forms no more restrictive than the latest editions of the Commercial General Liability and Business Auto policies filed by the Insurance Services Office. The City shall be an Additional Insured and such coverage shall be at least as broad as that provided to the Named Insured under the policy for the terms and conditions of this agreement. The City shall not be considered liable for premium payment, entitled to any premium return or dividend and shall not be considered a member of any mutual or reciprocal company. Minimum limits of \$3,000,000 per occurrence, and per accident, combined single limit for liability must be provided, with umbrella insurance coverage making up any difference between the policy limits of underlying policies coverage and the total amount of coverage required.

1. Commercial General Liability coverage must be provided, including bodily injury and

property damage liability for premises, operations, contractual, products and completed operations, and independent contractors. Broad Form Commercial General Liability coverage, or its equivalent, shall provide at least broad form contractual liability applicable to this specific contract, as well as personal injury liability and broad form property damage liability. The coverage shall be written on an occurrence-type basis.

2. Business Auto Policy coverage must be provided, including bodily injury and property damage arising out of operation, maintenance or use of owned, non-owned and hired automobiles and employee non-ownership use. Minimum limits of \$1,000,000 combined single limits must be provided.

3. Umbrella Liability Insurance coverage shall not be more restrictive than the underlying insurance policy coverages. The coverage shall be written on an occurrence-type basis.

13.03 Certificates of Insurance

Required insurance shall be documented in the Certificates of Insurance that provide that the City of Pensacola shall be notified at least thirty (30) days in advance of cancellation, non-renewal or adverse change or restriction in coverage. The City of Pensacola shall be named on each Certificate as an Additional Insured and this contract shall be listed. If required by the City, the Contractor shall furnish copies of the Contractor's insurance policies, forms, endorsements, Jackets and other items forming a part of, or relating to such policies. The Contractor may black-out any proprietary or salary information included in any policy required under this agreement that is requested by the City. Certificates shall be on the "Certificate of Insurance" form equal to, as determined by the City an ACORD 25. Any wording in a Certificate which would make notification of cancellation, adverse change or restriction in coverage to the City an option shall be deleted or crossed out by the insurance carrier or the insurance carrier's agent or employee. The Contractor shall replace any canceled, adversely changed, restricted or non-renewed policies with new policies acceptable to the City and shall file with the City Certificates of Insurance under the new policies prior to the effective date of such cancellation, adverse change or restriction. If any policy is not timely replaced, in a manner acceptable to the City, the Contractor shall, upon instructions of the City, cease all operations under the Contracting Documents until directed by the City, in writing, to resume operations. The "Certificate Holder" address should read: City of Pensacola, Department of Risk Management, Post Office Box 12910, Pensacola, FL 32521. An additional copy should be sent to the Pensacola International Airport, Attn: Manager of Properties, 2430 Airport Blvd., Suite 225, Pensacola, FL 32504.

13.04 Insurance of the Contractor Primary

The Contractor's required coverage shall be considered primary, and all other insurance shall be considered as excess, over and above the Contractor's coverage. The Contractor's policies of coverage will be considered primary as relates to all provisions of the agreement.

13.05 Loss Control and Safety

The Contractor shall retain control over its employees, agents, servants and subcontractors, as well as control over its invitees, and its activities on and about the subject premises and the manner in which such activities shall be undertaken and to that end, the Contractor shall not be

deemed to be an agent of the City. Precaution shall be exercised at all times by the Contractor for the protection of all persons, including employees, and property. The Contractor shall make special effort to detect hazards and shall take prompt action where loss control/safety measures should reasonably be expected.

13.06 Hold Harmless

The Contractor shall indemnify and hold harmless the City of Pensacola, its officers and employees, from any and all liabilities, damages, losses, and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the Contractor and persons employed or utilized by the Contractor in the performance of this agreement. The Contractor's obligation shall not be limited by, or in any way to, insurance coverage or by any provision in or exclusion or omission from any policy of insurance.

13.07 Pay On Behalf of the City

The Contractor agrees to pay on behalf of the City, as well as provide a legal defense for the City, both of which will be done only if and when requested by the City, for all claims as described in the Hold Harmless paragraph. Such payment on the behalf of the City shall be in addition to any and all other legal remedies available to the City and shall not be considered to be the City's exclusive remedy.

The Contractor's obligation to defend and indemnify under any provision of the Contracting Documents is contingent upon notice by the City to Contractor of both any claim triggering such obligation and upon Contractor being given the right at its expense to settle, defend, or otherwise control the defense of any such suit or claim.

13.08 Limitation of Liability

Contractor will be liable to City for indirect, incidental, special or consequential damages, including, but not limited to, lost profits, loss of customers or interruption of operation arising out of Contractor's performance of the Contracting Documents. Contractor's total liability for indirect, incidental, special or consequential damages arising out of the Contracting Documents shall be limited to \$1,000,000 for all damages.

In no event shall Contractor's total liability to City for property damage exceed \$10,000,000. There shall be no limit on Contractor's total liability to City for bodily injury or death.

Section 14. Performance Schedule.

The Contractor shall commence and complete all work and services pursuant to the Contracting Documents.

Section 15. Performance Guarantee.

15.01 Amount of Performance Guarantee

Upon execution of the Contracting Documents, Contractor shall provide, file and maintain with City, during the term of the Contracting Documents, a Performance Guarantee satisfactory in form and content to the City. The Performance Guarantee shall be in the initial amount of one hundred thousand (\$100,000) dollars. This Performance Guarantee is required to guarantee the full and faithful performance of all the terms and conditions of the Contracting Documents by the Contractor, shall be subject to claim by the City in the event of default by the Contractor, and shall stand as security for payment by the Contractor of all valid claims by the City. Contractor must ensure that the Performance Guarantee is maintained at all times in the proper amount throughout the period of the Contracting Documents. The Performance Guarantee shall extend for a period of thirty (30) days after the expiration of the Contracting Documents to provide for conditions required during a transition period.

15.02 Form of Guarantee

The Performance Guarantee shall be a performance bond in the format attached as Exhibit J. The bond shall be issued by a company acceptable to the City and authorized to do business in the State of Florida, and payable to the City in case the Contracting Documents is cancelled for cause or upon default by Contractor, or upon other valid claim by the City. The bond shall also include language that will specifically give City the right to demand payment in the event the Contractor fails to comply with its obligations covered under the paragraph entitled "Transition" herein.

An annually renewable performance bond may be substituted by the Contractor each year in lieu of providing a single bond. Such performance bond shall not contain any exclusion or condition based on a time-period of less than one year after the expiration date of such performance bond for the discovery and making of a claim for any loss. Such extended claim discovery and reporting period shall be no less than one year after the expiration of such bond. Such bond shall not contain any wording which would allow for the cancellation or reduction in coverage under the bond, other than at the listed expiration date, provided that 30-days notice of such expiration is given to the City before termination of coverage at any such expiration date.

15.03 Certificate of Renewal

At least forty-five (45) days prior to the expiration date on which any such Performance Guarantee expires, Contractor shall provide and file with the Airport Director a renewal or replacement guarantee meeting the requirements of Section 15.

15.04 Maintenance of Guarantee

If Contractor fails to provide or maintain the Performance Guarantee in effect at any time during the period of the Contracting Documents, the Contractor shall be in default and the Contracting Documents may be immediately terminated by the City.

Section 16. Damage of Facilities/Curtailment of Operations.

16.01 Damage Due to Contractor's Negligence

Contractor shall be liable for any damage to its assigned area, the Baggage Handling System, and

the Airport and any improvements thereon caused by Contractor, its partners, officers, agents, employees, invitees, contractors, subcontractors, assigns, subtenants, or anyone acting under its direction and control, ordinary wear and tear excepted. All repairs for which Contractor is liable shall be made by Contractor with due diligence and in a manner acceptable to the City unless the City determines that it is more appropriate for the City to make the repairs. In such a case, the City shall make the repairs at Contractor's expense. All repairs for which Contractor is liable and which are not undertaken after the City has given Contractor notice to so do shall be performed by the City, in which event Contractor shall reimburse the City for the cost thereof, plus a ten percent (10%) administrative charge.

16.02 City's Right to Suspend or Reduce Operations

In the event of any damage, by fire or other casualty to the Airport or any major Airport facility, or in the event of any substantial curtailment of air traffic into or out of the Airport or substantial reduction in movement of passengers through the Airport, for any reason whatsoever, the Airport Director shall have the right to order a curtailment or suspension of operations by Contractor and Contractor shall immediately reduce staffing levels and otherwise reduce or suspend operations according to the instructions of the Airport Director for the period of such curtailment of operations.

Section 17. Assignment.

17.01 Assignment

Contractor shall not assign its interest herein without the prior written consent of the City. The City's consent shall not be unreasonably withheld. Notwithstanding anything herein to the contrary, should the Contractor assign with prior written City consent, the Contractor shall expressly remain obligated and responsible for all such performance and that the performance be in exact accordance with the terms and provisions herein. Any assignment without prior written consent is null and void. All subsequent assignors and assignees shall be subject to this Article as if they were the original Contractor.

Section 18. Rights and Obligations of the City.

18.01 Specific Rights

The City retains for itself any and all rights and powers not especially granted to Contractor; however, without limiting the generality of the foregoing, the City shall have the following specific rights:

A. Right of Entry and Inspection: The City and its authorized officers, employees, agents, contractors, subcontractors and other representatives shall have the right to enter upon the assigned facilities at all times:

To inspect the Baggage Handling System and assigned areas to determine whether Contractor has complied with and is complying with the terms and conditions of the Contracting Documents.

To perform maintenance and make repairs in any case where Contractor is obligated but has failed to do so.

To perform any and all things which the Contractor is obligated to and has failed after reasonable notice so to do.

In the exercise of City's police powers.

B. Right to Install Items: The City shall have the right to construct or install over, in, under or through the facilities new lines, pipes, mains, wires, conduits and equipment as the City may deem necessary

Section 19. Default, Termination, Cancellation.

Except as otherwise specifically provided for in the Contracting Documents, the following provisions shall control the termination of the Contracting Documents by the City:

19.01 General Termination by City

Notwithstanding any other provision of the Contracting Documents, the City shall have the absolute right to terminate the Contracting Documents upon ninety (90) days written notice to the Contractor for any reason whatsoever at the sole discretion of the City. All services being performed by Contractor shall cease upon the date such notice becomes effective. The City shall pay Contractor for all reimbursable expenses otherwise allowed under the Contracting Documents for service rendered to the date of termination.

19.02 Default Conditions

The following shall constitute defaults by Contractor:

A. Any failure by Contractor to perform any covenant or obligation required by the Contracting Documents or the proposal documents, and the failure to cure the default within a period of thirty (30) days following written notice of the default.

B. Contractor undertakes any other commercial or non-commercial service or activity not specifically permitted under the Contracting Documents.

C. If during the term of the Contracting Documents Contractor shall:

1. Apply for, or consent to the appointment of a receiver, trustee, or liquidator of all or a substantial part of its interests;

2. File a voluntary petition in bankruptcy, or admit in writing its inability to pay its debts as they come due;

3. Make a general assignment for the benefit of creditors;

4. File a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of an insolvency law;

5. File an answer admitting the material allegations of a petition filed against any said assignee or sublessee in any bankruptcy, reorganization or insolvency proceedings; or if during the term of

the Contracting Documents an order, judgment, or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating Contractor bankrupt or insolvent, or approving a petition seeking a reorganization of Contractor, and such order, judgment, or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.

D. Contractor shall discontinue its maintenance and operation of the Baggage Handling System at the Airport for any period of time.

E. The management, ownership, or operation of the Contractor should change to such an extent that it would not satisfactorily perform.

F. Contractor shall fail to maintain in effect the Performance Guarantee required in the amount specified herein.

G. Contractor shall fail to maintain the insurance required herein.

H. The failure of Contractor to comply with one or more obligations under the Contracting Documents when required on three (3) separate occasions during any twelve (12) month consecutive period.

19.03 City's Rights Upon Default

If Contractor defaults, the City may utilize any one or more of the following remedies against Contractor. These remedies shall be considered cumulative and not in the alternative:

A. The City may sue for specific performance.

B. The City may sue for all damages incurred by the City, including incidental damages, consequential damages and attorney's fees.

C. The City may utilize a portion of or all of the Performance Guarantee provided by Contractor to remedy the default and to reimburse the City for any damages, including attorney's fees and other expenses of collection that it may sustain. In such event, Contractor shall immediately furnish another Performance Guarantee that satisfies the requirements of the Contracting Documents.

D. The City may terminate the Contracting Documents. The termination however shall only be effective upon written notice of same provided by the City to Contractor. In no event shall the Contracting Documents be construed to be terminated unless and until such notice is provided. The termination may be effective immediately upon provision of said notice, or at any other time specified in the notice. If the Contracting Document is terminated, Contractor shall continue to be liable for the performance of all terms and conditions, specifically including those contained in Article VIII, Insurance and Indemnification, above, and the payment of all fees due hereunder prior to the effective date of said termination, in addition to all damages, including attorney's fees and other expenses of collection, incurred by the City as a result of any default.

E. The City may utilize any other remedy provided by law or equity as a result of Contractor default(s).

19.04 Non-Default Termination Events

The occurrence of any of the following shall constitute a termination hereunder and entitle the Contractor to terminate the Contracting Documents by giving ninety (90) days written notice:

A. The lawful assumption by the United States of America, or any authorized agency thereof, of the operation, control or use of the Airport, or any substantial part or parts thereof, in such a manner as to substantially restrict the Contractor from operating therefrom for a period in excess of ninety (90) days.

B. The permanent abandonment of the Airport as an airport or airfield.

C. The suspension of scheduled airline operations at the Airport for a period of greater than ninety (90) days. The City shall not be responsible to the Contractor for any expenses, liabilities or claims whatsoever that may result from termination by the Contractor or the City pursuant to these items.

19.05 Contractor's Rights Upon City Default

Contractor's sole remedy for any City default under the Contracting Documents shall be an action in contract for damages or an action seeking specific performance by City.

19.06 No Waiver by City

A failure by City to take any action with respect to any default or violation by Contractor of any of the terms, covenants, or conditions of the Contracting Documents shall not in any respect limit, prejudice, diminish or constitute a waiver of any rights or remedies of City to act with respect to any prior, contemporaneous, or subsequent violation or default or with respect to any continuation or repetition of the original violation or default. The acceptance by City of payment for any period or periods after a default or violation of any of the terms, conditions, and covenants of the Contracting Documents shall not constitute a waiver or diminution of, nor create any limitation upon any right of City pursuant to the Contracting Documents to terminate the Contracting Documents for subsequent violation or default, or for continuation or repetition of the original violation or default.

19.07 Surrender Upon Termination

Upon the expiration or sooner termination of the Contracting Documents, for any reason whatsoever, Contractor shall peaceably surrender to the City possession of the Baggage Handling System and assigned areas, together with any improvements, alterations, or fixtures previously constructed by Contractor or City, free and clear of any claims or interests of Contractor or of any mortgages or any other third party whose position was derived from or through Contractor. If any of said Contractor constructed improvements, alterations or fixtures are encumbered by

a mortgage or lien at the time of expiration or sooner termination of the Contracting Documents, Contractor shall be responsible for eliminating said mortgage or lien and shall hold the City harmless therefrom.

19.08 Removal of Contractor's Property Upon Termination

The personal property of Contractor placed or installed at or on the Airport by Contractor, including, but not limited to, trade fixtures and trade equipment, shall remain the property of Contractor and must be removed on or before the expiration of the term or the expiration of any extension or renewal of the Contracting Documents at Contractor's sole risk and expense. Any damage to the Baggage Handling System, assigned areas, the Airport or any portion thereof resulting from such removal shall be paid for by Contractor. In the event of termination of the Contracting Documents, Contractor shall have thirty (30) days after such termination during which to remove such property. However, City shall have the right to assert such lien or liens against said property as City may by law be permitted.

If Contractor's property is not removed as herein provided, City may, at its option, after written notice to Contractor and at Contractor's sole risk and expense, remove such property to a public warehouse for deposit, or retain the same in City's possession and after the expiration of thirty (30) days take ownership of such property without payment by the City to Contractor of any compensation whatsoever, and said property shall thereafter be owned by City free and clear of any claim or interest by Contractor.

19.09 Transition

The Contractor shall cooperate with the City in achieving an effective and efficient transition of the maintenance and operation of the Baggage Handling System at the termination of the Contracting Documents. Failure to comply with this paragraph is considered damaging to the City and shall cause the City to demand payment of the Performance Guarantee. Language shall be specifically included in the Performance Guarantee to provide for this condition of the Contracting Documents.

Section 20. Requirements under Federal and State Grants and City Bond Provisions.

20.01 Federal and State Grants and Public Use

The parties acknowledge that the Airport will be operated as a public airport, subject to the provisions of the Federal Aviation Act of 1958 and grant agreements between the City and the federal government and between the City and the State government, containing assurances guaranteeing the public use of the Airport, so that nothing contained in the Contracting Documents shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

The City reserves the right to further develop or improve, as it sees fit, the Baggage Handling System, the terminal area, the Airport, and its landing area and taxiways regardless of the desires or views of Contractor and without interference or hindrance therefrom.

The Contracting Documents shall be subordinate to the provisions of any existing or future agreement between the City and the United States of America, including instrumentalities thereof,

and between the City and the State of Florida, relative to the operation or maintenance for the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds in developing the Airport.

The Contracting Documents shall be subordinate to existing and future Airport bond resolutions.

20.02 Reservation of Air Navigation Rights

City reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Airport, including but not limited to Contractor's assigned areas, for navigation or flight in said airspace for landing on, taking off from, or operating at the Airport.

Section 21. Rules and Regulations.

It is expressly understood that the Contractor agrees to conform to all Federal, State, or local laws and regulations, as well as all City of Pensacola Codes and Ordinances, all of which may apply to the services to be performed and that the City of Pensacola is to be held free and harmless from any act or failures by the Contractor to do so.

The Contractor shall obtain and maintain in force all licenses, permits and other certificates required by Federal, State, County, or municipal authorities for its operation under the terms of the Contracting Documents.

The Contractor agrees to observe all security requirements of TSA Regulations 49 CFR Part 1542, and the Airport Security Program, as may be applicable, and as the same may, from time to time, be amended, and to take such steps as may be necessary or directed by the Airport Director to ensure that employees, invitees, agents and guests observe these requirements.

If the City incurs any fines and/or penalties imposed by Federal, State, County, or municipal authorities as a result of the acts or omissions of Contractor, its employees, invitees, agents and guests, then Contractor shall be responsible to pay or reimburse the City for all such costs and expenses.

Section 22. Necessary Approvals.

Contractor shall procure all permits, licenses, and certificates, or any approvals in performance and completion of this Contract as may be required by federal, state, and local laws, ordinances, rules, and regulations, and in accordance with the Contracting Documents.

Section 23. No Waiver.

No waiver, alterations, consent or modification of any of the provisions of the Contracting Documents shall be binding unless in writing and signed by the Mayor.

Section 24. Governing Law.

This Contract is governed and construed in accordance with the laws of the State of Florida. The law of the State of Florida shall be the law applied in the resolution of any claim, actions or proceedings arising out of this Contract.

Section 25. Venue.

Venue for any claim, actions or proceedings arising out of this Contract shall be Escambia County, Florida.

Section 26. No Discrimination.

To the extent that the following provisions are applicable to assigned areas and to the operations and activities at the Airport and the inclusion of such provisions is required by law, grant agreement or contract, Contractor agrees to observe and comply with said provisions:

A. Contractor, for itself, its personal representatives, successors in interest, assigns and subtenants, as part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, religion, sex, national origin, or disability shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the systems and areas and any improvements thereon; (2) no person on the grounds of race, color, religion, sex, national origin, or disability shall be subjected to discrimination in the construction of any improvements on, over, or under the systems or areas and the furnishing of services therein; and (3) Contractor shall use the Baggage Handling System and assigned areas in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation, effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

B. Contractor shall furnish its accommodations and/or services on a fair, equal, and non-discriminatory basis to all users thereof and it shall charge fair, reasonable, and non-discriminatory prices for each unit or service, PROVIDED THAT Contractor may be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

C. Contractor shall make its accommodations and/or services available to the public on fair and reasonable terms without unjust discrimination on the basis of race, creed, color, sex, age, national origin, or disability.

D. Non-compliance with subparagraphs A, B, and C, above, after written finding, shall constitute a material breach thereof and in the event of such non-compliance the City shall have the right to terminate the Contracting Documents and the estate hereby created without liability therefore or at the election of the City or the United States either or both said Governments shall have the right to judicially enforce said subparagraphs A, B, and C.

E. Contractor assures that it will undertake an affirmative action program as required by 14 C.F.R. Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, sex or disability be excluded from participating in any employment activities

covered in 14 C.F.R. Part 152, Subpart E. Contractor assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Contractor assures that it will require that its covered suborganizations provide assurances to Contractor that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations as required by 14 C.F.R. Part 152, Subpart E, to the same effect.

Section 27. Notices.

All notices by either party to the other shall be made either by utilizing the registered or certified mail of the United States of America, postage prepaid, or by utilizing any other method of delivery requiring signature for receipt, and such notice shall be deemed to have been delivered and received on the date of such utilization. All notices to the City shall be mailed to:

Airport Director
Pensacola International Airport
2430 Airport Blvd . Suite 225
Pensacola, Florida 32504

With an additional copy to:

City Administrator
City of Pensacola
222 West Main Street
Pensacola, Florida 32502

All notices to Contractor shall be mailed to:

Elite Line Services, Inc.
1505 Luna Road
Suite 100
Carrollton, TX 75006

The parties from time to time may designate in writing changes in the address stated.

Section 28. No Other Agreements.

The Parties agree the Contracting Documents contain all the terms and conditions agreed upon by the Parties. No other agreements, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind either Party.

Section 29. Attorney's Fees.

The prevailing Party in any action, claim or proceeding arising out of this Contract shall be entitled to attorney's fees and costs from the losing Party.

Section 30. Airport Security ID Badges.

In performing all Contract work within the Security Identification Display Area (SIDA) of the Airport Contractor shall obtain all appropriate airport security ID badges to be issued by

Pensacola International Airport Access Control Office or be under the escort of appropriately badged individuals. The Contractor agrees to observe all security requirements of Transportation Security Administration (TSA) 49 CFR 1542, and the Airport Security Program, as may be applicable, and as the same may, from time to time, be amended, and to take such steps as may be necessary or directed by the City to ensure that employees, invitees, agents, and guests observe these requirements. Contractor shall ensure all personnel working under the provisions of this Contract must qualify for, wear and exhibit a security identification badge issued by the Airport. Contractor shall ensure individuals requiring badges submit fingerprints for verification of past criminal history. All security badges shall remain the property of the Airport and shall be surrendered by Contractor to City upon termination of employment or upon the termination of this Contract.

Contractor acknowledges and agrees that badge issuance is subject to successful completion of fingerprint-based criminal history background check, TSA security threat assessment, and completion of security training. The Contractor is responsible for completing and submitting all necessary documentation required for badge issuance. Contractor acknowledges and agrees this process may take six (6) weeks to complete. Contractor acknowledges and agrees the current fee to be paid by Contractor to the City to obtain a background check and ID badge is \$45.00 and that the replacement fee for lost badges is \$110.00. Further, Contractor acknowledges and agrees that these rates are subject to change by the Airport. The Contractor shall be responsible for the return of all ID badges at the end of this Contract, and agrees to return any and all ID badges if directed to do so by the Airport Director.

Section 31. Headings.

The headings contained in the Contracting Documents are inserted only as matter of convenience and for reference and do not define or limit the scope or intent of any provision of the Contracting Documents and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction of said terms and provisions.

Section 32. Public Records Act.

The parties acknowledge and agree to fulfill all obligations respecting required contract provisions in any contract entered into or amended after July 1, 2016, in full compliance pursuant to Section 119.0701, *Florida Statutes*, and obligations respecting termination of a contract for failure to provide public access to public records. The parties expressly agree specifically that the contracting parties hereto shall comply with the requirements within Attachment "A" attached hereto and incorporated by reference.

Section 33. Time Is Of The Essence.

Time is of the essence in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed in triplicate and sealed the day and year first above written.

CONTRACTOR

CITY OF PENSACOLA, FLORIDA

Elite Line Services, Inc.
(Contractor's Name)

Mayor, Ashton J. Hayward, III

By _____
President

City Clerk, Ericka L. Burnett

(Printed President's Name)

Approved As To Substance:

Attest _____
Corporate Secretary

Department Director/Division Head

Legal in form and valid as drawn:

(CORPORATE SEAL)

City Attorney

Attachment "A"

PUBLIC RECORDS: Consultant/Contractor/Vendor shall comply with Chapter 119, Florida Statutes. Specifically, Consultant/ Contractor/Vendor shall:

- A. Keep and maintain public records required by the City to perform the service.
- B. Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- C. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following the completion of the Agreement if Consultant/ Contractor/Vendor does not transfer the records to the City.
- D. Upon completion of the Agreement, transfer, at no cost, to City, all public records in possession of Consultant/Contractor/Vendor or keep and maintain public records required by the City to perform the service. If Consultant/Contractor/Vendor transfers all public records to City upon completion of the Agreement, Consultant/ Contractor/Vendor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Consultant/Contractor/Vendor keeps and maintains public records upon completion of the Agreement, Consultant/Contractor/Vendor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request of the City's custodian of public records, in a format that is compatible with the information technology systems of the City.

Failure by Consultant/Contractor/Vendor to comply with Chapter 119, Florida Statutes, shall be grounds for immediate unilateral cancellation of this Agreement by City.

IF CONSULTANT/CONTRACTOR/VENDOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT: THE OFFICE OF THE CITY ATTORNEY, (850) 435-1715, PUBLICRECORDS@CITYOFPENSACOLA.COM, 222 WEST MAIN STREET, PENSACOLA, FL 32502.

EXHIBIT A

RFP DOCUMENTS ON FILE IN AIRPORT ADMINISTRATION

EXHIBIT B

PROPOSAL ON FILE WITH CITY OF PENSACOLA PURCHASING OFFICE

EXHIBIT C
Baggage Handling System

EXHIBIT D
Baggage Handling System Maintenance Schedule

Exhibit E
Spare Parts

Exhibit F
Manning Schedule

Exhibit G
Passenger Loading Bridge Maintenance Schedule

Exhibit H
Request for Monthly Reimbursement Format

Exhibit I
Annual Budget Format

Exhibit J
Performance Guarantee Format