

City and County of San Francisco  
 Office of Contract Administration  
 Purchasing Department  
 City Hall, Room 430  
 1 Dr. Carlton B. Goodlett Place  
 San Francisco, CA 94102-4685



## Contract Modification 2

**Sugar Bowl Bakery**  
 Attn: Joseph Pickens  
 300 Toland Street  
 San Francisco, CA 94124

Date: December 5, 2008  
 Term Contract: 88759  
 Type: Indefinite quantity  
 NTE Amount: \$2,000,000

The history of this contract and its modifications is as follows:

	Date	Start date	End date	Amount	Other changes
<b>Original Contract</b>	11/30/06	12/1/06	11/30/09	\$379,318.	
<b>Modification 1:</b>	02/19/08	N/C	N/C	\$391,707.	Price Increase/Deleted Items/Updated Terms & Conditions

**Modification 2:**

**This modification changes the contract as follows:**

By mutual agreement, prices have increased in accordance with Special Condition No. 72, Price; effective December 15, 2008, for Items 10-230, 232, 250-480, an increase of 5% (See Attachment "A".)

**Approved by the City:**

*Naomi Kelly* 12-10-08  
 Naomi Kelly, Director of OCA and Purchaser Date

**Approved by Contractor:**

*[Signature]* 1/6/08  
 Signature Date

Name and title

Regional Sales Manager

Acknowledge receipt and acceptance of this Contract Modification. Return to Purchaser, 1 Dr. Carlton B. Goodlett Place, Room 430, San Francisco, CA, 94102-4685. **DUPLICATE COPY IS FOR YOUR FILES.**

Attachment "A"  
 Contract 88759  
 Contract Modification No. 2  
 Sugar Bowl Bakery  
 December 5, 2008

Item No.	Description	Old Price	New Price
10	Apple Fritter Large, approximately 6 oz	\$ .73	\$ .78
11	Apple Turnover Large, approximately 6 oz	\$ .82	\$ .86
20	Bear Claw Large, approximately 4-1/2 oz	\$ .78	\$ .82
21	Bear Claw Small, approximately 3 oz	\$ .56	\$ .59
30	Biscuit Plain Buttermilk, approximately 2 oz	\$ .38	\$ .40
40	Brownie Full Sheet, approximately 25 lbs (16"x24")	\$43.59	\$45.81
41	Brownie Half Sheet, approximately 13 lbs (12"x16")	\$23.65	\$24.86
50	Bun Hot Cross Large, approximately 4 oz	\$ .78	\$ .82
51	Bun Hot Cross Small, approximately 2oz	\$ .52	\$ .55
52	Bun Sticky Large, approximately 4oz	\$ .78	\$ .82
53	Bun Sticky Small, approximately 2 oz	\$ .50	\$ .53
60	Butterhorn Large (6"x1"), approximately 4 oz	\$ .73	\$ .77
61	Butterhorn Small (3-1/2" x 3/4") 2 oz	\$ .46	\$ .49
70	Cake 9" Budget, 2 Layers, approximately 3.5 lbs	\$13.70	\$14.40
71	Cake 9" Budget, Decorated, 2 Layers, approximately 3.5 lbs.	\$15.85	\$16.86
80	Cake 9" Creamy Cheese Cake approximately 3.5 lbs.	\$20.86	\$21.93
90	Cake 9" Decorated, Double Layer, Filled, Frosted w/ Fresh Fruit 4-1/2 lb	\$19.30	\$20.29
100	Cake 9" Gourmet Cake black forest, choc mousse, poppy seed, approximately 4-1/2 lbs	\$17.42	\$18.31
101	Cake 9" Gourmet, Decorated, (3 Layers), approximately 4-1/2 lbs	\$19.56	\$20.56
102	Cake 9" Gourmet,(3 Layers), approximately 4-1/2 lbs	\$14.94	\$15.70
110	Cake Angel Food 9", approximately 1-1/2 lbs	\$ 5.29	\$ 5.56

Item No.	Description	Old Price	New Price
190	Cake Individual, Assorted, Approx 3oz, Diameter 3-1/2 "	\$ 2.80	\$ 2.94
200	Cake, Cupcake Decorated Regular, approximately 3.5 oz	\$ .61	\$ .64
201	Cake, Cupcake Holiday Regular, approximately 3.5 oz	\$ .72	\$ .76
202	Cake, Cupcake Plain Regular, no icing, approximately 3 oz	\$ .50	\$ .53
210	Cookie Holiday Decorated	\$ .38	\$ .40
211	Cookie Jumbo Size 3 oz	\$ .70	\$ .74
212	Cookie Regular Size 2 oz	\$ .52	\$ .55
220	Croissant Large (5" from Point to Point) 4 oz	\$ .97	\$ 1.01
221	Croissant Medium 3 oz	\$ .72	\$ .76
222	Croissant Small, (3 1/2 " from Point to Point), 2.0 oz	\$ .57	\$ .60
230	Danish Large Fruit (5"x1") approximately 4 oz	\$ .73	\$ .77
232	Danish Small Fruit (3.5") approximately 2 oz	\$ .52	\$ .55
250	Donut Buttermilk Bar, 5 oz	\$ .51	\$ .54
251	Donut Custard Bar approximately 5-1/2 oz	\$ .50	\$ .53
260	Donut Cake, 3 oz, All Types & Varieties	\$ .31	\$ .33
270	Donut French & Twist, approximately 5-1/2 oz	\$ .50	\$ .53
271	Donut Large Cinnamon Roll, 5 oz, Pinwheel Shape Fried	\$ .73	\$ .77
272	Donut Small Cinnamon Roll	\$ .47	\$ .50
280	Donut Holes, Assorted Flavors 1/2 oz	\$ .11	\$ .12
290	Donut Old Fashion & Raised, 3 oz	\$ .31	\$ .33
291	Donut Jelly, approximately 4 oz	\$ .52	\$ .55
292	Donut Powdered Sugar Filled with Custard or Chocolate 4 oz	\$ .64	\$ .67

Item No.	Description	Old Price	New Price
300	Miniature French Pastries, approximately 1-1/2 oz, Assorted	\$ .99	\$ 1.04
310	Muffin Regular Approx 3.5 oz	\$ .52	\$ .55
311	Muffin Small Approx 2.5 oz	\$ .43	\$ .45
320	Pie Boston Cream (9") approximately 2.5 lbs	\$ 9.34	\$ 9.81
330	Pie Cream (9") approximately 2.75 lbs	\$ 6.85	\$ 7.20
331	Pie Cream Half Sheet, (12"x16"), approximately 20 lbs	\$28.00	\$29.43
340	Pie Custard (9") approximately 2.75 lbs	\$ 7.15	\$ 7.52
350	Pie Dutch Apple (10") approximately 4.5 lbs	\$ 7.15	\$ 7.52
360	Pie Fruit (9") Approx 3.7 lbs	\$ 7.15	\$ 7.52
361	Pie Fruit Full Sheet (16"x24") approximately 30 lbs	\$47.31	\$49.72
362	Pie Fruit Half Sheet (12"x16") approximately 20 lbs	\$24.90	\$26.17
363	Pie Fruit Quarter Sheet, approximately 10 lbs	\$14.94	\$15.70
370	Pie Lemon Meringue (9") approximately 2.5 lbs	\$ 8.10	\$ 8.51
380	Pie Pecan Pie (9") approximately 3 lbs	\$ 9.34	\$ 9.81
390	Pie Pumpkin Pie (9") approximately 2.25 lbs	\$ 8.10	\$ 8.51
391	Pumpkin Pie Full Sheet (16"x24") approximately 30 lbs	\$47.31	\$49.72
392	Pie Pumpkin 1/2 Sheet 12 lbs	\$24.60	\$25.85
400	Bagel, approximately 3 oz	\$ .41	\$ .43
410	Biscuits, Buttermilk, 2 oz	\$ .42	\$ .44
420	Bread Fruit Loaf, Assorted Varieties, (1-1/2 lbs)	\$ 6.55	\$ 6.88
430	Custard Cup Sugar Free Diet, 4 oz, Nutricare	\$ .90	\$ .95

Item No.	Description	Old Price	New Price
440	Petit Fours, Assorted Variety, 1-1/2 oz	\$ .85	\$ .89
450	Scone, Large 4 oz	\$ .70	\$ .74
451	Scone, Small 2 oz	\$ .38	\$ .40
460	Sponge Cake Rolls, Assorted Flavors, Precut 2" Wide, approximately 3.5 oz	\$ .64	\$ .67
461	Sponge Cake Rolls, Fruit Filled, Asst Flavors, Whole, Unsliced approximately 4-1/2 lbs	\$ 5.09	\$ 5.35
470	Strudel, Apple, Large, (6" x 4" x 1/4") 6 oz	\$ 9.60	\$10.09
471	Strudel, Apple, Small (4"x 3"x 1") 4 oz	\$ 7.45	\$ 7.83
480	Turnovers, Fruit Assorted (6" x 2"), Triangle, 5 oz	\$ .86	\$ .90



# CONTRACT MODIFICATION NO. 1

Indefinite Quantity

**Sugar Bowl Bakery**  
300 Toland Street  
San Francisco, CA 94124  
Attn: Joseph Pickens

Date February 19, 2008

Contract: Proposal No. 88759

Estimated Amount: Indefinite

The City and County of San Francisco does hereby accept your offer to modify the prices and furnish the Articles indicated below. Such Articles are to be delivered in the manner and the form and at the times and prices set forth in the above numbered Contract Bid Proposal, but only after receipt of order properly certified by the Controller of the City and County of San Francisco.

## PRICE INCREASE/DELETE ITEMS

For furnishing and delivering **Fresh Pastries & Baked Goods.**

By mutual agreement, prices have increased in accordance with Special Condition No. 72, Price; for Items 10-230, 232, 250-480, an increase of 4.9% (See Attachment "A".)

The following items have been deleted from the contract.

Items: 231 and 240 (See Attachment "A").

The following condition has been modified to Contract 88759 (See Attachment "A")

58. **First Source Hiring Program (FSHP) (Old Condition)**  
**Replaced with First Source Hiring Agreement**

The following condition is new and has been added to Contract 88759 (See Attachment "A").

84. **Food Service Waste Reduction Requirements**

All other terms and conditions remain the same.

Acknowledge receipt and acceptance of this Contract Modification in the space below. Return to Purchaser, 1 Dr. Carlton B. Goodlett Place, Room 430, San Francisco, CA 94102-4685. **DUPLICATE COPY IS FOR YOUR FILES.**

*[Signature]* 2-26-08  
As the duly appointed Purchaser Date  
of the City and County of San Francisco

### RECEIPT OF THE ABOVE IS HEREBY ACKNOWLEDGED:

Contractor Sugar Bowl Bakery  
By *[Signature]* 3/3/08 Regional Sales Manager.  
Signature Title  
Print Name Joseph Pickens  
Date 3/3/08

Item No.	Description	Old Price	New Price
10	Apple Fritter Large, approximately 6 oz	\$ .70	\$ .73
11	Apple Turnover Large, approximately 6 oz	\$ .78	\$ .82
20	Bear Claw Large, approximately 4-1/2 oz	\$ .74	\$ .78
21	Bear Claw Small, approximately 3 oz	\$ .53	\$ .56
30	Biscuit Plain Buttermilk, approximately 2 oz	\$ .36	\$ .38
40	Brownie Full Sheet, approximately 25 lbs (16"x24")	\$41.55	\$43.59
41	Brownie Half Sheet, approximately 13 lbs (12"x16")	\$22.55	\$23.65
50	Bun Hot Cross Large, approximately 4 oz	\$ .74	\$ .78
51	Bun Hot Cross Small, approximately 2oz	\$ .50	\$ .52
52	Bun Sticky Large, approximately 4oz	\$ .74	\$ .78
53	Bun Sticky Small, approximately 2 oz	\$ .48	\$ .50
60	Butterhorn Large (6"x1"), approximately 4 oz	\$ .70	\$ .73
61	Butterhorn Small (3-1/2" x 3/4") 2 oz	\$ .44	\$ .46
70	Cake 9" Budget, 2 Layers, approximately 3.5 lbs	\$13.06	\$13.70
71	Cake 9" Budget, Decorated, 2 Layers, approximately 3.5 lbs.	\$15.11	\$15.85
80	Cake 9" Creamy Cheese Cake approximately 3.5 lbs.	\$19.89	\$20.86
90	Cake 9" Decorated, Double Layer, Filled, Frosted w/ Fresh Fruit 4-1/2 lb	\$18.40	\$19.30
100	Cake 9" Gourmet Cake black forest, choc mousse, poppy seed, approximately 4-1/2 lbs	\$16.61	\$17.42
101	Cake 9" Gourmet, Decorated, (3 Layers), approximately 4-1/2 lbs	\$18.65	\$19.56
102	Cake 9" Gourmet,(3 Layers), approximately 4-1/2 lbs	\$14.24	\$14.94
110	Cake Angel Food 9", approximately 1-1/2 lbs	\$ 5.04	\$ 5.29
111	Cake Full Sheet Angel Food Cake (no frosting), approximately 20 lbs, (16" x 24")	\$27.30	\$28.64

Item No.	Description	Old Price	New Price
120	Cake Coffee 9" (Apple, Blueberry, Cinnamon-Walnut, Streusel Sour Cream) approximately 3.5 lbs	\$ 7.72	\$ 8.10
121	Coffee Cake Full Sheet (16"x24") approximately 25 lbs	\$62.90	\$65.98
122	Coffee Cake (9") approximately 3 lbs	\$ 7.72	\$ 8.10
130	Cake Full Sheet Filled & Frosted (16"x24") approximately 25 lbs	\$41.55	\$43.59
131	Cake Half Sheet Filled, Frosted approximately 11 lbs (12"x16")	\$29.67	\$31.12
140	Cake Full Sheet Carrot approximately 26 lbs (16"x24")	\$45.10	\$47.31
141	Cake Half Sheet Carrot, 12"x16", approximately 13lbs	\$22.55	\$23.65
150	Cake Full Sheet Filled With Fresh Fruit approximately 26 lbs (16"x24")	\$77.15	\$80.93
151	Cake Half Sheet Filled With Fresh Fruit approximately 13 lbs (12"x16")	\$35.61	\$37.35
160	Cake Full Sheet Pineapple Up Side Down approximately 20 lbs (16"x24")	\$71.22	\$74.71
161	Cake Half Sheet Pineapple Up Side Down approximately 10 lbs (12"x16")	\$35.61	\$37.35
170	Cake Full Sheet Single Layer & Frosted approximately 20 lbs (16"x24")	\$29.67	\$31.12
171	Cake Half Sheet Single Layer & Frosted Only approximately 10 lbs (12"x16")	\$17.80	\$18.67
172	Cake Quarter Sheet Single Layer & Frosted	\$16.61	\$17.42
180	Cake Full Sheet Filled, Frosted & Decorated approximately 25 lbs (16"x24")	\$53.40	\$56.02
181	Cake Half Sheet Filled & Frosted & Decorated approximately 11 lbs (12"x16")	\$33.23	\$34.86
182	Cake Quarter Sheet Filled, Frosted & Decorated	\$18.99	\$19.92
190	Cake Individual, Assorted, Approx 3oz, Diameter 3-1/2 "	\$ 2.67	\$ 2.80
200	Cake, Cupcake Decorated Regular, approximately 3.5 oz	\$ .58	\$ .61



Item No.	Description	Old Price	New Price
201	Cake, Cupcake Holiday Regular, approximately 3.5 oz	\$ .69	\$ .72
202	Cake, Cupcake Plain Regular, no Icing, approximately 3 oz	\$ .48	\$ .50
210	Cookie Holiday Decorated	\$ .36	\$ .38
211	Cookie Jumbo Size 3 oz	\$ .67	\$ .70
212	Cookie Regular Size 2 oz	\$ .50	\$ .52
220	Croissant Large (5" from Point to Point) 4 oz	\$ .92	\$ .97
221	Croissant Medium 3 oz	\$ .69	\$ .72
222	Croissant Small, (3 1/2 " from Point to Point), 2.0 oz	\$ .54	\$ .57
230	Danish Large Fruit (5"x1") approximately 4 oz	\$ .70	\$ .73
232	Danish Small Fruit (3.5") approximately 2 oz	\$ .50	\$ .52
250	Donut Buttermilk Bar, 5 oz	\$ .49	\$ .51
251	Donut Custard Bar approximately 5-1/2 oz	\$ .48	\$ .50
260	Donut Cake, 3 oz, All Types & Varieties	\$ .30	\$ .31
270	Donut French & Twist, approximately 5-1/2 oz	\$ .48	\$ .50
271	Donut Large Cinnamon Roll, 5 oz, Pinwheel Shape Fried	\$ .70	\$ .73
272	Donut Small Cinnamon Roll	\$ .45	\$ .47
280	Donut Holes, Assorted Flavors 1/2 oz	\$ .10	\$ .11
290	Donut Old Fashion & Raised, 3 oz	\$ .30	\$ .31
291	Donut Jelly, approximately 4 oz	\$ .50	\$ .52
292	Donut Powdered Sugar Filled with Custard or Chocolate 4 oz	\$ .61	\$ .64
300	Miniature French Pastries, approximately 1-1/2 oz, Assorted	\$ .94	\$ .99
310	Muffin Regular Approx 3.5 oz	\$ .50	\$ .52

Attachment "A"

Contract 88759

Contract Modification No. 1

Sugar Bowl Bakery

February 19, 2008

Item No.	Description	Old Price	New Price
311	Muffin Small Approx 2.5 oz	\$ .41	\$ .43
320	Pie Boston Cream (9") approximately 2.5 lbs	\$ 8.90	\$ 9.34
330	Pie Cream (9") approximately 2.75 lbs	\$ 6.53	\$ 6.85
331	Pie Cream Half Sheet, (12"x16"), approximately 20 lbs	\$26.69	\$28.00
340	Pie Custard (9") approximately 2.75 lbs	\$ 6.82	\$ 7.15
350	Pie Dutch Apple (10") approximately 4.5 lbs	\$ 6.82	\$ 7.15
360	Pie Fruit (9') Approx 3.7 lbs	\$ 6.82	\$ 7.15
361	Pie Fruit Full Sheet (16"x24") approximately 30 lbs	\$45.10	\$47.31
362	Pie Fruit Half Sheet (12"x16") approximately 20 lbs	\$23.74	\$24.90
363	Pie Fruit Quarter Sheet, approximately 10 lbs	\$14.24	14.94
370	Pie Lemon Meringue (9") approximately 2.5 lbs	\$ 7.72	\$ 8.10
380	Pie Pecan Pie (9") approximately 3 lbs	\$ 8.90	\$ 9.34
390	Pie Pumpkin Pie (9") approximately 2.25 lbs	\$ 7.72	\$ 8.10
391	Pumpkin Pie Full Sheet (16"x24") approximately 30 lbs	\$45.10	\$47.31
392	Pie Pumpkin 1/2 Sheet 12 lbs	\$23.45	\$24.60
400	Bagel, approximately 3 oz	\$ .39	\$ .41
410	Biscuits, Buttermilk, 2 oz	\$ .40	\$ .42
420	Bread Fruit Loaf, Assorted Varieties, (1-1/2 lbs)	\$ 6.24	\$ 6.55
430	Custard Cup Sugar Free Diet, 4 oz, Nutricare	\$ .86	\$ .90
440	Petit Fours, Assorted Variety, 1-1/2 oz	\$ .81	\$ .85
450	Scone, Large 4 oz	\$ .67	\$ .70

Attachment "A"  
 Contract 88759  
 Contract Modification No. 1  
 Sugar Bowl Bakery  
 February 19, 2008

Item No.	Description	Old Price	New Price
451	Scone, Small 2 oz	\$ .36	\$ .38
460	Sponge Cake Rolls, Assorted Flavors, Precut 2" Wide, approximately 3.5 oz	\$ .61	\$ .64
461	Sponge Cake Rolls, Fruit Filled, Asst Flavors, Whole, Unsliced approximately 4-1/2 lbs	\$ 4.85	\$ 5.09
470	Strudel, Apple, Large, (6" x 4" x 1/4") 6 oz	\$ 9.15	\$ 9.60
471	Strudel, Apple, Small (4"x 3"x 1") 4 oz	\$ 7.10	\$ 7.45
480	Turnovers, Fruit Assorted (6" x 2"), Triangle, 5 oz	\$ .82	\$ .86

The following items have been deleted from the contract.

Item No.	Description	Unit	Unit Price
231	Danish Medium Fruit (4"x1") approximately 3 oz.	EA	\$ .60
240	Dinner Roll, Assorted Varieties, approximately 2 oz.	EA	\$ .25

The following condition has been modified to read as follows:

**58. First Source Hiring Agreement**

**a. Incorporation of Administrative Code Provisions by Reference**

The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

**b. First Source Hiring Agreement**

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

- (1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth

in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs may be certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

- (2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.
- (3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.
- (4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.
- (5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall

appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

- (6) Set the term of the requirements.
- (7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.
- (8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.
- (9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

**c. Hiring Decisions**

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

**d. Exceptions**

Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

**e. Liquidated Damages**

Contractor agrees:

- (1) To be liable to the City for liquidated damages as provided in this section;
- (2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;
- (3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to

\$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

- (4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;
- (5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:
  - A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and
  - B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

- (6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and
- (7) That in the event the City is the prevailing party in a civil action to recover liquidated damages for breach of a contract provision required by this Chapter, the contractor will be liable for the City's costs and reasonable attorneys fees.

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The

assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

**f. Subcontracts**

Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

The following condition is new and has been added to the contract.

**84. Food Service Waste Reduction Requirements**

Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.