

## FIRST AMENDMENT TO AGREEMENT

**THIS FIRST AMENDMENT TO AGREEMENT**, is made and entered into by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado ("City"), and **BAGGAGE AIRLINE GUEST SERVICES, INC.**, a Florida Corporation, authorized to do business in the State of Colorado ("Bags" or "Consultant") (collectively, the "Parties").

### WITNESSETH:

**WHEREAS**, the Parties entered into an Agreement for professional services (Contract No. 201845436) at Denver International Airport (DEN) dated November 1, 2018 ("Existing Agreement"); and

**WHEREAS**, the Parties now desire to amend the Existing Agreement in order to extend the Term, increase the Maximum Contract Amount, and substitute the current exhibits as hereinafter set forth; and

**WHEREAS**, the City is in the process of adopting a new Minimum Wage Ordinance, which is designed to address the issue of wage equity and cost of living affordability in the City and County of Denver and requires payment of certain wages with respect to covered services of certain City contracts; and

**WHEREAS**, the Consultant is ready, willing and able to perform the Work, and performs covered services pursuant to the new Minimum Wage Ordinance;

**NOW, THEREFORE**, for and in consideration of the premises and other good and valuable consideration, the parties hereto agree as follows:

1. Article III A, titled "**Term**", is hereby amended to read in its entirety as follows:

**A. Term.** This Agreement shall become effective upon the date stated on City's Signature page below ("Effective Date"). The Term of this Agreement shall commence on May 1, 2019 ("Commencement Date") and shall terminate on February 29, 2020 ("Termination Date") (collectively "Term"), unless sooner terminated in accordance with the language in this Agreement.

2. Article IV A, titled "**Maximum Contract Liability**" is hereby partially amended to read as follows:

**A. Maximum Contact Liability.** Notwithstanding any other provision of this Agreement, in no event shall City be liable for payment of services rendered and expenses incurred by Consultant under the terms of this Agreement for any amount in excess of the sum of One Million Three Hundred Thirty-Three Thousand Eight Hundred and Thirty-Seven Dollars and No Cents (\$1,333,837.00) ("Maximum Contract

Liability”). Consultant will be performing the services on a time and material basis up to the Maximum Contract Amount. Consultant’s fee is based on the time required by its professionals to complete the services. Individual hourly rates are set forth in **Exhibit B-1** and vary according to the experience and skill required.

All other parts of this Article IV A shall remain the same.

3. The Scope of Work, as set forth in **Exhibit A**, is hereby substituted with the Scope of Work, attached hereto as **Exhibit A-1**. All other references to **Exhibit A** shall remain the same.

4. The Schedule of Rates and Charges, set forth in **Exhibit B**, is hereby substituted with the Bags Schedule of Rates and Charges, attached hereto as **Exhibit B-1**. The Parties agree that the Technology Licensing Fee will be applied on May 1, 2019.

5. Article VII B, titled “**Prevailing Wage**” is hereby partially amended to include the City’s Minimum Wage Ordinance requirement. Prevailing Wage will be under a new subsection 1, and the following paragraph added:

**B. Prevailing Wage; Minimum Wage.**

2. Consultant shall comply with, and agrees to be bound by, all requirements, conditions, and City determinations regarding the City’s Minimum Wage Ordinance, Sections 20-82 through 20-84 D.R.M.C., including, but not limited to, the requirement that every covered worker shall be paid no less than the City Minimum Wage in accordance with the foregoing D.R.M.C. Sections. By executing this Agreement, Consultant expressly acknowledges that Consultant is aware of the requirements of the City’s Minimum Wage Ordinance and that any failure by Consultant, or other individual or entity acting subject to this Agreement to strictly comply with the foregoing D.R.M.C. Sections shall result in the penalties and other remedies authorized therein.

6. Except as provided herein, all provisions, terms and conditions of the Existing Agreement shall remain in full force and effect as if fully set forth herein.

7. This Amendment to the Existing Agreement shall not be effective or binding on the City until approved and fully executed by all signatories of the City and County of Denver.

**END OF AGREEMENT  
SIGNATURE PAGES AND EXHIBITS TO FOLLOW**

Contract Control Number: PLANE-201845436-01

Contractor Name: BAGGAGE AIRLINE GUEST SERVICES INC

By: 

Name: BILLY ARDEN  
(please print)

Title: COO  
(please print)



ATTEST: [if required]

By: 

Name: Elaine S. Lerner  
(please print)

Title: General Counsel  
(please print)



**Contract Control Number:**

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of

SEAL

**CITY AND COUNTY OF DENVER**

ATTEST:

By \_\_\_\_\_

\_\_\_\_\_

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_



**Exhibit A-1  
Scope of Work**

**DEN Remote Airline Check-in Service – Shuttle parking lots and other potential locations**

BAGS, Inc. will operate a pilot program for the remote baggage check and passenger check-in in the shuttle parking lots at DEN, with a potential for a third location, based on demands of the traveling public. DEN baggage handling service takes the hassle out of baggage carrying and transfer solely at the DEN Hotel and Transit Center, thereby enhancing the customer experience. The program was contemplated during the selection and contract process with BAGS, Inc. contract number 201629746.

This operation is temporary and intended to determine the need for services during the Term of the current BAGS, Inc. contract operations. An analysis of operations, via collected usage data, will be performed for future planning purposes.

**General**

1. Contractor shall in a good, safe and efficient manner operate the portion of the baggage handling service from passenger drop-off in the DEN parking lot to the final point where the baggage is unloaded by the Airline/Carrier, inclusive of all baggage handling system equipment in between including load/unload areas, Make-up/Claim areas and TSA inspection areas.
2. Contractor shall comply with all applicable rules, regulations and procedures for baggage handling, including but not limited to those prescribed by participating airlines, the Federal Aviation Administration (FAA), and the Transportation Security Administration (TSA).
3. Contractor shall provide services to guests according to the following hours of operation: 4:00am – 4:00pm MST, Saturdays through Thursdays, and 4:00am – 7:00pm MST on Fridays, including holidays, unless otherwise directed by City.
4. Contractor shall provide, manage, supervise and train all personnel required to perform the operations and maintenance at the minimum service standard defined in Airport Rules and Regulations.
5. Contractor shall be responsible for complete and accurate record keeping and shall maintain a good record keeping methodology so that information of the baggage handling operation, performance, and use can be readily and easily identified and reported.
6. Contractor shall provide City with usage statistics and reports of the operation.
7. Contractor shall ensure that all personnel working on the baggage service comply with the Airport's security and safety requirements.
8. Hours of Operation will be in conjunction with the flight schedules to ensure the service meets the needs of DEN passengers.
9. Operation will be in a first class manner supported with written policy and procedures, which will be provided to DEN before operations begin.
10. Employees will be identified with professional company uniforms and DEN security badges must be visible at all times.
11. Contractor must be an authorized agent of the participating airlines.

## **Configuration/Operating Requirements**

1. Contractor shall provide equipment including shelving, carts, transport vehicle, software, hardware and any other required equipment for the service.
2. Contractor shall set up all necessary furnishings and equipment prior to start of service each day and secure all necessary furnishings and equipment at the conclusion of service each day.
3. A curbside location shall be available and accessible for baggage loading near the Contractor's dedicated space. Contractor shall provide the software required to check-in passengers and to issue boarding passes and luggage tags.
4. Contractor Operate and staff up to three (3) work station terminals at the active parking lot location to check-in passengers and accept luggage from the guests.
5. Contractor shall staff two (2) GSC (ground security coordinators) to maintain TSA compliance.
6. Contractor shall operate, staff, and maintain two (2) vans to move the luggage to the airport induction point.
7. Bag tags shall be coded and placed on baggage identifying the airline and specific flight (s) of the passenger. Contractor shall provide the software required to check-in passengers and to issue boarding passes and luggage tags.
8. Contractor shall print boarding passes for the passenger at the time of baggage check-in.
9. The contractor shall provide services at no charge to the passenger (passive gratuities are acceptable but tip containers are strictly prohibited).

**Exhibit B-1**  
**Bags Schedule of Rates and Charges**  
**DEN Shuttle Lots**

Monthly Pricing for Remote Airline Check-in (RAC) services:

	<b>Monthly Totals</b>	<b>Annual</b>
<b><u>Labor Costs</u></b>		
RAC Check-In Agent/GSC (Ground Security Coordinator)	\$12,009	\$144,104
RAC Agent Greeter	\$5,836	\$70,028
Driver Wages	\$14,691	\$176,291
Supervisor Wages	\$5,220	\$62,640
<b>Total Labor Costs</b>	<b>\$37,755</b>	<b>\$453,063</b>

*(FICA, FUTA, SUTA, Workers Comp., Recurrent Training, and Fringe Benefits are included in wage totals)*

**Operating Costs**

2 Vehicles, Fuel, and Fleet Maintenance	\$2,974	\$35,688
Rental of Office Shelter	\$410	\$4,920
Rental of Generator	\$1,478	\$17,736
Fuel for Generator	\$400	\$4,800
Port-Let	\$200	\$2,400
Seal, Bag Tags and Boarding Pass Stock	\$961	\$11,532
Shared Services (HR, Legal, Accounting and Finance Support)	\$389	\$4,668
Internet and Cell Phone Services	\$423	\$5,076
Small Claims	\$225	\$2,700
Management Fee (Corporate Profit)	\$2,911	\$34,932
<b>Total Operating Costs</b>	<b>\$10,371</b>	<b>\$124,452</b>

<b>Total Monthly Costs</b>	<b>\$48,126</b>	<b>\$577,515</b>
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\*Technology Licensing Fee incurred as used at \$2 per bag beginning May 1st, 2019.

**Exhibit B-1**  
**Bags Schedule of Rates and Charges**  
**Potential Third Location**

Monthly Pricing for Remote Airline Check-in (RAC) services:

	<b>Monthly Totals</b>	<b>Annual</b>
<b><u>Labor Costs</u></b>		
RAC Check-In Agent/GSC (Ground Security Coordinator)	\$12,860	\$154,319
RAC Agent Greeter	\$6,269	\$75,232
Driver Wages	\$16,897	\$202,760
Supervisor Wages	\$5,568	\$66,816
<b>Total Labor Costs</b>	<b>\$41,594</b>	<b>\$499,127</b>
<i>(FICA, FUTA, SUTA, Workers Comp., Recurrent Training, and Fringe Benefits are included in wage totals)</i>		
<b><u>Operating Costs</u></b>		
2 Vehicles, Fuel, and Fleet Maintenance	\$2,974	\$35,688
Rental of Office Shelter	\$410	\$4,920
Rental of Generator	\$1,478	\$17,736
Fuel for Generator	\$400	\$4,800
Port-Let	\$200	\$2,400
Seal, Bag Tags and Boarding Pass Stock	\$961	\$11,532
Shared Services (HR, Legal, Accounting and Finance Support)	\$389	\$4,668
Internet and Cell Phone Services	\$423	\$5,076
Small Claims	\$225	\$2,700
Management Fee	\$2,911	\$34,932
<b>Total Operating Costs</b>	<b>\$10,371</b>	<b>\$124,452</b>
<b>Total Monthly Cost*</b>	<b>\$51,965</b>	<b>\$623,579</b>

\*Technology Licensing Fee incurred as used at \$2 per bag on effective start date.



## Start-Up Costs for Remote Airline Check-in (RAC) services:

### **Start-up Expenses**

Hardware and Software Equipment (To include the following):	\$12,652.06
(2) Dell OptiPlex 3060 i5 8th gen 4GB 500GB	\$1,165
(2) Kingston 240GB SSD	\$121
(2) Kingston DDR4 4GB SO-DIMM	\$82
(2) ACER V196HQLAB 18.5" LED	\$156
(2) 4 Port USB to RS232 Serial DB9 Adapter Hub	\$132
(4) Vidtronix Printer	\$4,668
(4) DB9 Adapter	\$25
(2) Paper Roll Holder -small	\$140
(1) Unimark Delta RFID bagtag printer	\$1,579
(2) 5FT Cat6 Snagless UTP patch - YELLOW	\$7
(2) 5FT Cat6 Snagless UTP patch - BLUE	\$7
(4) 5FT Cat6 Snagless UTP patch - BLACK	\$14
(2) 10FT Cat6 Snagless UTP patch - GRAY	\$9
(3) BELKIN SURGEPRO 720J 6 OUTLET 4FT	\$26
(1) Verizon Novatel Wireless T1114V Certified A-stock OEM Kit w/Sim	\$60
(2) Verizon Samsung S7 G930V -Gold	\$400
(2) Motorola CS3070 Batch/BT KIT	\$474
(2) CS3000 BOOT W/BELT CLIP	\$91
(1) logear GearPower QuadSmart USB Charger	\$19
(2) 3ft Mini USB 2.0 Cable - A to Mini B	\$7
(2) TM T88V Receipt printer	\$545
(2) DB25M to RJ45 Mod Adapter -Black	\$4
(2) Yosoo MSR90 USB Magnetic Strip Card Reader	\$18
(2) Dinerware Terminal Software License	\$1,970
(2) Required Monthly user SaaSurance License - 2 months	\$160
Sales Tax	\$772

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<b>Total One Time Start-up expenses to be billed</b>	<b>\$12,652.06</b>
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