

BY AUTHORITY

ORDINANCE NO. _____
SERIES OF 2013

COUNCIL BILL NO. CB13-0503
COMMITTEE OF REFERENCE:

BUSINESS, WORKFORCE, & SUSTAINABILITY

A BILL

For an ordinance approving a proposed Agreement between the City and County of Denver and The North Highland Company for support services related to the Mayor's Peak Performance Initiative at Denver International Airport.

BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:

Section 1. The proposed Agreement between the City and County of Denver and The North Highland Company, in the words and figures contained and set forth in that form of Agreement available in the office and on the web page of City Council, and to be filed in the office of the Clerk and Recorder, Ex-Officio Clerk of the City and County of Denver, under City Clerk's Filing No. 2013-0660, is hereby approved.

COMMITTEE APPROVAL DATE: August 1, 2013

MAYOR-COUNCIL DATE: August 6, 2013

PASSED BY THE COUNCIL: _____, 2013

_____ - PRESIDENT

APPROVED: _____ - MAYOR _____, 2013

ATTEST: _____ - CLERK AND RECORDER,
EX-OFFICIO CLERK OF THE
CITY AND COUNTY OF DENVER

NOTICE PUBLISHED IN THE DAILY JOURNAL: _____, 2013; _____, 2013

PREPARED BY: Max Taylor, Assistant City Attorney  DATE: August 8, 2013

Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed ordinance. The proposed ordinance is submitted to the City Council for approval pursuant to § 3.2.6 of the Charter.

Douglas J. Friednash, City Attorney for the City and County of Denver

BY: _____, Assistant City Attorney DATE: August 8, 2013

A G R E E M E N T

THIS AGREEMENT is made and entered as of the date set forth on the City's signature page below by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado, through and on behalf of its Department of Aviation (the "**City**"), and **THE NORTH HIGHLAND COMPANY**, a Georgia corporation authorized to do business in Colorado ("**Consultant**").

W I T N E S S E T H:

WHEREAS, the City owns, operates, and maintains Denver International Airport ("**DIA**" or the "**Airport**"); and

WHEREAS, the City desires to obtain professional services to assist its Department of Aviation in implementing Lean business practices throughout the organization;

WHEREAS, the City solicited and received proposals for such services and the Consultant's proposal was selected; and

WHEREAS, the Consultant is qualified and ready, willing, and able to perform the services as set forth in this Agreement;

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

1. LINE OF AUTHORITY: The City's Manager of Aviation, his designee or successor in function (the "**Manager**") authorizes all work performed under this Agreement. The Manager hereby delegates her authority over the work described in this Agreement to the Deputy Manager of Finance & Administration ("**Deputy Manager**"), as the Manager's authorized representative for the purpose of administering, coordinating, and approving work under this Agreement. The Consultant shall submit its reports, memoranda, correspondence and submittals to the Deputy Manager or any Project Manager that the Deputy Manager may designate.

2. PROFESSIONAL SERVICES:

A. General: The Consultant will provide professional services for implementing Lean business practices throughout the organization, as designated by the Manager or the Deputy Manager from time to time and as described in the attached **Exhibit A** ("**Scope of Services**") in accordance with schedules and budgets to be mutually agreed upon.

B. Professional Responsibility: The Consultant shall faithfully perform the work required under this Agreement in accordance with the standard of care, skill, training, diligence and judgment provided by competent professionals who perform work of a similar nature to the work described in this Agreement. Consultant hereby represents and warrants to the City that it will perform its services in a professional and workmanlike manner.

3. COMPENSATION; PAYMENT; MAXIMUM AGREEMENT AMOUNT:

A. Notwithstanding any other provision of the Agreement, the City's maximum payment obligation will not exceed **One Million Five Hundred Thousand Dollars (\$1,500,000.00)** (the "**Maximum Contract Amount**"). The City is not obligated to execute an Agreement or any amendments for any further services, including any services performed by Consultant beyond that specifically described in **Exhibit A**. Any services performed beyond those in **Exhibit A** are performed at Consultant's risk and without authorization under the Agreement.

B. The City's payment obligation, whether direct or contingent, extends only to funds appropriated annually by the Denver City Council, paid into the Treasury of the City, and encumbered for the purpose of the Agreement. The City does not by the Agreement irrevocably pledge present cash reserves for payment or performance in future fiscal years. The Agreement does not and is not intended to create a multiple-fiscal year direct or indirect debt or financial obligation of the City.

C. Payment Schedule / Invoicing: Subject to the Maximum Agreement Liability set forth at section 3.A. of this Agreement, Consultant's fee shall be paid in the following manner:

i. Initial Fee: For the first 19 (nineteen) months of the Agreement, subject to receipt and approval by the City of acceptable monthly invoices and supporting documentation from the Consultant, the Consultant shall be paid monthly the fee set forth on **Exhibit B-1**.

ii. Hourly Billing Rates: For the remainder of the Contract (months 20 through 36), subject to receipt and approval by the City of acceptable monthly invoices and supporting documentation from the Consultant, the Consultant shall be paid a fee for its services at the hourly billing rate for the classification of the person performing such services, as outlined in **Exhibit B**.

iii. Expenses: Subject to receipt by the City of acceptable monthly invoices and supporting documentation from the Consultant, expenses incurred in connection with its work under this Agreement shall be reimbursed in accordance with the following schedule:

- | | |
|---|---------|
| a. Long Distance Telephone Charges | at cost |
| b. Copying, postage, and courier services | at cost |
| c. Specialized computer services | at cost |
| d. Subconsultants | at cost |
| e. Parking | at cost |
| f. Travel | at cost |
| g. Other expenses with prior written approval of the Deputy Manager | at cost |

All reimbursable travel shall have the prior written approval of the Deputy Manager or delegated Project Manager, and be related to and in furtherance of the purposes of Consultant's engagement. Vehicle rental costs are allowed when efficiency and economy are served, taking into consideration the elements of time and distance. Use of such vehicle for personal travel shall not be reimbursed. Sleeping accommodation costs are limited to a reasonable amount, taking into account costs of alternate facilities in the location and other relevant factors. Reimbursement for meals and incidentals is limited to the per diem allowed by the City's fiscal accountability rules. Non-business and strictly personal expenses shall not be reimbursed, and hourly rates will not be paid for any period of time a trip is extended for personal convenience.

D. Prompt Payment Ordinance: The City shall process all invoices for payment received from the Consultant on a timely basis in accordance with Denver's Prompt Payment Ordinance, Denver Revised Municipal Code Section 20-107 *et seq.* .

E. Source of Funds: All payments under this Agreement shall be paid from the City and County of Denver Airport Revenue Fund and from no other fund or source. The City is under no obligation to make payments to or to make any future appropriations or allocations to said fund.

4. TERM: The term of this Agreement shall commence on August 12, 2013, and shall terminate on August 11, 2016, unless terminated earlier in accordance with this Agreement.

5. DEFENSE AND INDEMNIFICATION:

A. Consultant hereby agrees to defend, indemnify, and hold harmless City, its appointed and elected officials, agents and employees against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to the work performed under this Agreement ("Claims"), unless such Claims have been specifically determined by the trier of fact to be the sole negligence or willful misconduct of the City. This indemnity shall be interpreted in the broadest possible manner to indemnify City for any acts or omissions of Consultant or its subcontractors either passive or active, irrespective of fault, including City's concurrent negligence whether active or passive, except for the sole negligence or willful misconduct of City.

B. Consultant's duty to defend and indemnify City shall arise at the time written notice of the Claim is first provided to City regardless of whether Claimant has filed suit on the Claim. Consultant's duty to defend and indemnify City shall arise even if City is the only party sued by claimant and/or claimant alleges that City's negligence or willful misconduct was the sole cause of claimant's damages.

C. Consultant will defend any and all Claims which may be brought or threatened against City and will pay on behalf of City any expenses incurred by reason of such Claims including, but not limited to, court costs and attorney fees incurred in defending and

investigating such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of City shall be in addition to any other legal remedies available to City and shall not be considered City's exclusive remedy.

D. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Consultant under the terms of this indemnification obligation. The Consultant shall obtain, at its own expense, any additional insurance that it deems necessary for the City's protection.

E. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

6. INSURANCE:

A. The Consultant shall obtain and keep in force during the entire term of this Agreement, including any warranty periods, all of the minimum insurance coverage forms and amounts set forth in **Exhibit C**, which is incorporated into this Agreement by this reference. The Consultant shall submit to the City fully completed and executed ACORD form which specifies the issuing company or companies, policy numbers and policy periods for each required form of coverage.

B. All certificates and any required endorsements must be received and approved by the City before any work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of the project, including any warranty periods. Failure to maintain the insurance policies as required by this Agreement or to provide evidence of renewal is a material breach of the Agreement. All subcontractors' work shall also be subject to the minimum requirements identified in **Exhibit C**. All subcontractors' certificates and endorsements must be received and approved by the Consultant before work commences. The City reserves the right to request copies of these certificates at any time.

C. All certificates required by this Agreement shall be sent directly to Denver International Airport, Risk Management, Airport Office Building, Room 8810, 8500 Peña Boulevard, Denver, Colorado 80249. The City Project/Agreement number and project description shall be noted on the certificate of insurance. The City reserves the right to require complete, certified copies of all insurance policies required by this Agreement at any time.

D. The City's acceptance of any submitted insurance certificate is subject to the approval of the City's Risk Management Administrator. All coverage requirements specified in the certificate shall be enforced unless waived or otherwise modified in writing by the City's Risk Management Administrator.

E. The Consultant shall comply with all conditions and requirements set forth in the insurance certificate for each required form of coverage during all periods in which coverage is in effect.

F. The insurance coverage forms specified in this Agreement are the minimum requirements, and these requirements do not lessen or limit the liability of the Consultant under the terms of this Agreement, including the Indemnification provisions herein. The Consultant shall maintain, at its own expense, any additional kinds and amounts of insurance that it may deem necessary to cover its obligations and liabilities under this Agreement.

7. **COLORADO GOVERNMENTAL IMMUNITY ACT:** The parties hereto understand and agree that the City and County of Denver, its officers, officials and employees, are relying on, and do not waive or intend to waive by any provisions of this Agreement, the monetary limitations or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101 to 120, C.R.S., or otherwise available to the City and County of Denver, its officers, officials and employees.

8. **NO AUTHORITY TO BIND CITY TO CONTRACTS:** The Consultant has no authority to bind the City on any contractual matters. Final approval of all contractual matters which obligate the City must be by the City as required by Charter and ordinance.

9. **ASSIGNMENT:** The Consultant covenants and agrees that it will not assign or transfer its rights hereunder without first obtaining the written consent of the City's Manager of Aviation thereto. Any attempt by the Consultant to assign or transfer its rights hereunder without such prior written consent of the Manager shall, at the option of said Manager, automatically terminate this Agreement and all rights of the Consultant hereunder. Such consent may be granted or denied at the sole and absolute discretion of said Manager.

10. **INSPECTION OF RECORDS:**

A. In connection with any consulting services performed hereunder on items of work toward which federal funds may be received under the Airport and Airway Improvement Act of 1982, as amended, the City and County of Denver, the Federal Aviation Administration, the Comptroller General of the United States and any other duly authorized representatives shall have access to any books, documents, papers and records of the Consultant which are directly pertinent to a specific grant program for the purpose of making audit, examination, excerpts and transcriptions. The Consultant further agrees that such records will contain information concerning the hours and specific tasks performed along with the applicable federal project number.

B. The Consultant agrees that until the expiration of three years after the final payment under this Agreement, any duly authorized representative of the City, including the Manager or City Auditor or their representatives, shall have access to and the right to examine any directly pertinent books, documents, papers and records of the Consultant involving transactions related to this Agreement, without regard to whether the work was paid for in whole or in part with federal funds or was otherwise related to a federal grant program.

11. **INFORMATION FURNISHED BY CITY:** The City will furnish to the Consultant available information concerning the Airport and any such other matters that may be necessary or useful in connection with the work to be performed by the Consultant under this

Contract. The Consultant shall be responsible for the verification of the information provided to the Consultant.

12. COLORADO OPEN RECORDS ACT: The Consultant acknowledges that the City is subject to the provisions of the Colorado Open Records Act, Colorado Revised Statutes §24-72-201 et seq., and the Consultant agrees that it will fully cooperate with the City in the event of a request or lawsuit arising under such act for the disclosure of any materials or information which the Consultant asserts is confidential and exempt from disclosure. Any other provision of this Agreement notwithstanding, including exhibits, attachments and other documents incorporated into this Agreement by reference, all materials, records and information provided by the Consultant to the City shall be considered confidential by the City only to the extent provided in the Open Records Act, and the Consultant agrees that any disclosure of information by the City consistent with the provisions of the Open Records Act shall result in no liability of the City.

13. STATUS OF CONSULTANT AS INDEPENDENT CONTRACTOR: It is understood and agreed by and between the parties hereto that the status of the Consultant shall be that of an independent contractor retained on a contractual basis to perform professional or technical services for limited periods of time as described in Section 9.1.1.(E)(x) of the Charter of the City, and it is not intended nor shall it be construed that the Consultant, its employees or subcontractors are employees or officers of the City under Chapter 18 of the Revised Municipal Code or for any purpose whatsoever.

14. TERMINATION:

A. The City has the right to terminate this Agreement without cause on thirty (30) days written notice to the Consultant and with cause on ten (10) days written notice to the Consultant. However, nothing herein shall be construed as giving the Consultant the right to perform services under this Agreement beyond the time when such services become unsatisfactory to the Manager.

B. If this Agreement is terminated by the Consultant, or if this Agreement is terminated by the City for cause, the Consultant shall be compensated for, and such compensation shall be limited to, (1) the sum of the amounts contained in invoices which it has submitted and which have been approved by the City, (2) the reasonable value to the City of the work which the Consultant performed prior to the date of the termination notice, but which had not yet been approved for payment, and (3) the cost of any work which the Manager approves in writing which he determines is needed to accomplish an orderly termination of the work. If this Agreement is terminated for the convenience of the City and without the fault of the Consultant, the Consultant shall also be compensated for any reasonable costs it has actually incurred in performing services hereunder prior to the date of the termination.

C. If this Agreement is terminated, the City shall take possession of all materials, equipment, tools and facilities owned by the City which the Consultant is using by whatever method it deems expedient, and the Consultant shall deliver to the City all drafts or other documents it has completed or partially completed under this Agreement, together with all other

19. CONFLICT OF INTEREST: The Consultant agrees that it will not engage in any transaction, activity or conduct which would result in a conflict of interest under this Agreement. The Consultant represents that it has disclosed any and all current or potential conflicts of interest. A conflict of interest shall include transactions, activities or conduct that would affect the judgment, actions or work of the Consultant by placing the Consultant's own interests, or the interest of any party with whom the Consultant has a contractual arrangement, in conflict with those of the City. The City, in its sole discretion, shall determine the existence of a conflict of interest and may terminate this Agreement in the event such a conflict exists after it has given the Consultant written notice which describes the conflict. The Consultant shall have thirty (30) days after the notice is received to eliminate or cure the conflict of interest in a manner acceptable to the City.

20. TAXES AND COSTS: The Consultant shall promptly pay, when due, all taxes, bills, debts and obligations it incurs performing work under this Agreement and shall allow no lien, mortgage, judgment or execution to be filed against land, facilities or improvements owned by the City. If the City is exempt from the payment of such sales or use taxes, the City shall promptly, upon the execution of this Agreement, notify and provide to Consultant a tax-exempt certificate.

21. COMPLIANCE WITH ALL LAWS AND REGULATIONS: All of the work performed under this Agreement by the Consultant shall comply with all applicable laws, rules, regulations and codes of the United States and the State of Colorado and with the charter, ordinances, and rules and regulations of the City and County of Denver.

22. NO THIRD PARTY BENEFICIARIES: The enforcement of the terms and conditions of this Agreement and all rights of action relating to such enforcement, shall be strictly reserved to the City and the Consultant, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other or third person on such Agreement. It is the express intention of the City and the Consultant that subconsultants and any other person other than the City or the Consultant receiving any benefits from this Agreement shall be deemed to be incidental beneficiaries only.

23. ADVERTISING AND PUBLIC DISCLOSURES: The Consultant shall not reference this Agreement or its work hereunder in marketing or public relations materials without first obtaining the written approval of the Manager, which approval will not be unreasonably withheld. Any oral presentation or written materials related to Denver International Airport shall include only presentation materials, work product, designs, renderings and technical data which have been submitted to the Deputy Manager for review and approval. The Deputy Manager shall review and either reject, modify, or approve submittals in a timely manner so that the Scope of Work is not adversely affected. Nothing herein shall preclude the transmittal of by the City any information to officials of the City, including without limitation, the Mayor, the Manager of Aviation, member or members of City Council, or the Auditor.

24. OWNERSHIP OF WORK PRODUCT: The City may, without restriction, make use materials and documents created by Consultant and/or submitted to the City by the

Consultant under this Agreement. The product of any custom development work performed by the Consultant specifically for the City shall become the sole property of the City.

25. PROHIBITION AGAINST EMPLOYMENT OF ILLEGAL ALIENS TO PERFORM WORK UNDER THIS AGREEMENT:

A. The Agreement is subject to Article 17.5 of Title 8, Colorado Revised Statutes and Den. Rev. Municipal Code 20-90 and the Consultant is liable for any violations as provided in said statute and ordinance.

B. The Consultant certifies that:

(1) At the time of its execution of this Agreement, it does not knowingly employ or contract with an illegal alien who will perform work under this Agreement.

(2) It will participate in the E-Verify Program, as defined in § 8 17.5-101(3.7), C.R.S., to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement.

C. The Consultant also agrees and represents that:

(1) It shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

(2) It shall not enter into a contract with a subcontractor or subconsultant that fails to certify to the Consultant that it shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

(3) It has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement, through participation in the E-Verify Program.

(4) It is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while performing its obligations under the Agreement, and it has complied with all federal requirements regarding the use of the E-Verify program, including, by way of example, requirements related to employee notification and preservation of employee rights.

(5) If it obtains actual knowledge that a subcontractor or subconsultant performing work under the Agreement knowingly employs or contracts with an illegal alien, it will notify such subcontractor and the City within three days. The Consultant will also then terminate such subcontractor or subconsultant if within three days after such notice the subcontractor or subconsultant does not stop employing or contracting with the illegal alien, unless during such three day period the subcontractor or subconsultant provides information to establish that the subcontractor or subconsultant has not knowingly employed or contracted with an illegal alien.

(6) It will comply with any reasonable request made in the course of an investigation by the Colorado Department of Labor and Employment under authority of § 8-17.5-102(5), C.R.S. or the City Auditor under authority of Den. Rev. Mun. Code 20-90.3.

26. FEDERAL PROVISIONS: This Agreement is subject and subordinate to the terms, reservations, restrictions and conditions of any existing or future agreements between the City and the United States, the execution of which has been or may be required as a condition precedent to the transfer of federal rights or property to the City for airport purposes, and the expenditure of federal funds for the extension, expansion or development of the Airport. The provisions of the attached Appendix 1 are incorporated herein by reference.

27. BOND ORDINANCES; GOVERNING LAW; VENUE: This Agreement shall be deemed to have been made in, and construed in accordance with the laws of, the State of Colorado and the Charter and Ordinances of the City and County of Denver. This Agreement is in all respects subject and subordinate to the Airport's General Bond Ordinance any and all City bond ordinances applicable to the Denver Municipal Airport System and to any other bond ordinances which amend, supplement, or replace such bond ordinances. Venue for any action hereunder shall be in the City and County of Denver, State of Colorado.

28. USE, POSSESSION OR SALE OF ALCOHOL OR DRUGS: The Consultant and Consultant's agents shall cooperate and comply with the provisions of the City and County of Denver Executive Order No. 94 and Attachment A thereto concerning the use, possession or sale of alcohol or drugs. Violation of these provisions or refusal to cooperate with implementation of the policy can result in the City's barring the Consultant and Consultant's agents from City facilities or participating in City operations.

29. CITY SMOKING POLICY: Consultant acknowledges that smoking is not permitted in Airport buildings and facilities except for designated Airport Smoking Concessions, and so agrees that it will prohibit smoking by its employees and the public in indoor areas and within 15 feet of entryways of the Airport Premises, except as may otherwise be permitted by the Colorado Clean Indoor Air Act, C.R.S. §§ 25-14-201 to 209. Consultant and its officers, agents, and employees shall cooperate and comply with the provisions of the Denver Revised Municipal Code, §§ 24-301 to 317 et. seq., the Colorado Clean Indoor Air Act, C.R.S. §§ 25-14-201 to 209, City's Executive Order No. 99 dated December 1, 1993, and Executive Order No. 13 dated July 31, 2002.

30. ENTIRE AGREEMENT: The parties acknowledge and agree that the provisions contained herein constitute the entire agreement and that all representations made by any officer, agent or employee of the respective parties unless included herein are null and void and of no effect. No alterations, amendments, changes or modifications to this Agreement, except those which are expressly reserved herein to the Manager, shall be valid unless they are contained in an instrument which is agreed to by all the parties with the same formality as this Agreement.

31. SEVERABILITY: In the event any of the provisions, or applications thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or applications thereof, shall not be affected.

32. HEADINGS: The heading contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

33. CONTRACT DOCUMENTS; ORDER OF PRECEDENCE: This Agreement consists of Articles 1 through 34, which precede the signature page, and the following exhibits and attachments which are incorporated herein and made a part hereof by reference:

Exhibit A	Scope of Services
Exhibit B	Schedule of Rates and Fees
Exhibit C	Certificate of Insurance
Appendix No. 1	Standard Federal Assurances and Nondiscrimination

In the event of an irreconcilable conflict (i) between a provision of Articles 1 through 34 and any of the listed exhibits or attachments or (ii) between provisions of any exhibits or attachments, such that it is impossible to give effect to both, the order of precedence to determine which document shall control to resolve such conflict, is as follows, in descending order:

Appendix No. 1
Articles 1 through 34 hereof
Exhibit A
Exhibit B
Exhibit C

34. CITY EXECUTION OF AGREEMENT: This Agreement is expressly subject to, and shall not become effective or binding on the City, until it is fully executed by all signatories of the City and County of Denver. This Agreement may be signed electronically by either party in the manner specified by the City.

[END OF AGREEMENT; SIGNATURE PAGES AND EXHIBITS FOLLOW]

APPENDIX NO. 1

STANDARD FEDERAL ASSURANCES AND NONDISCRIMINATION

NOTE: As used below the term "contractor" shall mean and include the Consultant, and the term "sponsor" shall mean the "City".

During the term of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations.** The contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination.** The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, creed, color, sex, national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
3. **Solicitations for Subcontractors, Including Procurements of Materials and Equipment.** In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
4. **Information and Reports.** The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the sponsor of the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance.** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the sponsor shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:
 - a. Withholding of payments to the contractor under the contract until the contractor complies, and/or
 - b. Cancellation, termination, or suspension of the contract, in whole or in part.
6. **Incorporation of Provisions.** The contractor shall include the provisions of paragraphs 1 through 5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

7. NONDISCRIMINATION IN AIRPORT EMPLOYMENT OPPORTUNITIES

The contractor assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. It is unlawful for airport operators and their lessees, tenants, concessionaires and contractors to discriminate against any person because of race, color, national origin, sex, creed, or handicap in public services and employment opportunities.

Contract Control Number: PLANE-201208555-00

Contractor Name: THE NORTH HIGHLAND COMPANY

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:

DOUGLAS J. FRIEDNASH, Attorney
for the City and County of Denver

By _____

By _____

By _____



Contract Control Number: PLANE-201208555-00

Contractor Name: THE NORTH HIGHLAND COMPANY

By: Greg Marchese

Name: GREG MARCHESE
(please print)

Title: VICE PRESIDENT
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)



**CITY & COUNTY OF DENVER, DEPARTMENT OF AVIATION
DIA PEAK PERFORMANCE LEAN INITIATIVE
SCOPE OF WORK**

OVERALL GOAL of this RFP process is to determine which consultant has the best combination of Lean implementation methodology, cost, and team members that would be a good fit for working with Denver International Airport (DIA).

Respondent's Proposed Lean Approach must include an overview and specific details (as noted in the outline below) on the Respondent's approach to implementing the Lean process and culture at DIA. The reviewing audience will have varying backgrounds, so a clear roadmap of the process, associated components and required participants will be critical to ensure all reviewers understand the proposal contents.

DIA envisions a 3-year schedule to include orientation, program setup, ramp-up, and full implementation of Lean business practices throughout the organization beginning in March 2013. DIA is committed to successful implementation of a Lean program, and has a Department Lean Coordinator who, with the successful Respondent, will be responsible for implementing and managing the airport's process improvement program, including the deployment of training and other duties that will enhance organizational efficiency and support a culture of continuous improvement and customer satisfaction. It is anticipated that the successful consultant's proposal will reflect a thorough and sustained effort to develop a Lean program, establish it as a culture of standard business practice, and eventually turn it over to DIA's Lean Coordinator for sustained implementation.

DIA acknowledges that each Respondent has a slightly different methodology for implementation of Lean business practices at an organization. While respecting that methodology, DIA requests that each Respondent adhere to the following basic principles when proposing a Lean program for DIA:

1. Respondent must be specific about the timing (specific dates, based on an anticipated "Notice to Proceed" date of March 1, 2013), length (in days, hours or other appropriate measure), frequency (if on-going), required participants (ref. org. chart at Appendix I), and cost associated for months 1 through 18 and detail the following:
 - 1.1. Plan of action (including length, frequency and participants) and pricing on a "phased" approach that incorporates the following "phases":
 - 1.1.1. Phase I: Governance at DIA, including but not limited to the following areas:
 - 1.1.1.1. A plan for embedding Lean thinking and practices, and changing the culture at DIA
 - 1.1.1.2. A method to identify, define and prioritize value streams and tie them to the DIA Strategic Plan (ref. Appendix II)
 - 1.1.1.3. Assistance with identification of specific, measurable, and appropriate key-performance indicators (KPIs) that will support DIA's becoming a "world class airport"
 - 1.1.1.4. A method to verify, track, and communicate the KPIs in the following categories:
 - 1.1.1.4.1. hard-dollar savings (affecting budget)
 - 1.1.1.4.2. soft-dollar savings (affecting allocation of employee time)
 - 1.1.1.4.3. service level agreements (decreases in processing time)

Exhibit A

- 1.1.1.4.4. human capital (how many employees have received a training overview of Lean, intense training in Lean, & / or participated in a Lean event)
 - 1.1.1.5. A method to provide clear messaging about the Lean Initiative and its results (including individual event outcomes and tracking) throughout DIA, to the City & County of Denver's Peak Performance Team (link at [Peak Performance | Office of Denver Mayor Michael B. Hancock](#)), and to other key stakeholders (such as airlines, concessionaires, contractors, and the counties and municipalities surrounding Denver International Airport). This method must include, but should not be limited to, establishing and creating a systematic updating methodology for a "Share Point" site accessible to Denver International Airport employees
 - 1.1.2. Phase II: Management at DIA, including but not limited to the following areas:
 - 1.1.2.1. A method to prioritize value streams within each Division, and to identify and prioritize potential events for business process improvement
 - 1.1.2.2. Assistance with identification of specific, measurable, and appropriate KPIs that will support their Division's alignment with DIA's vision of becoming the "world class airport"
 - 1.1.2.3. A method to understand, "own," transition, affect and track by hard-dollar savings (affecting budget), soft-dollar savings (affecting allocation of employee time), service level agreements (decreases in processing time), human capital (how many employees have received a training overview of Lean, intense training in Lean, & / or participated in a Lean event)
 - 1.1.3. Phase III: Events at DIA, including but not limited to the following specifics:
 - 1.1.3.1. Training in and use of a method for quickly evaluating and implementing changes to business processes (commonly referred to, but not limited to "Rapid Improvement Events," "Kaizen Events," "6S Events," "Just Do Its" or "Blitzes"), and including coaching by "sensei" level employee of respondent to the DIA event facilitator, and quantification and timing of identified events, with the goal of
 - 1.1.3.2. gradual transition to employee-led process improvement efforts (both formal events and less formal, individual-led efforts)
 - 1.1.3.3. Assistance with identification of specific, measurable, and appropriate key-performance indicators/metrics and their triggers, that can be used to influence the direction of the identified metric, while ensuring alignment to the DIA Strategic Plan
 - 1.1.3.4. Coaching in defining and measuring hard-dollar savings (affecting budget), soft-dollar savings (affecting allocation of employee time), service level agreements (decreases in processing time), human capital (how many employees have received a training overview of Lean, intense training in Lean, & / or participated in a Lean event),
 2. Pricing on an hourly rate for months 19 through 36 given levels of effort (LOE) on behalf of DIA through months 1 to 18 being:
 - 2.1. higher than;
 - 2.2. equal to, or
 - 2.3. less than the level of effort as defined in Respondent's proposal, per item 1, above.
 - 2.4. Note that 6 month rolling plans of action, based on LOE attainments by DIA and on-going quarterly meetings with executive staff will be required.
 3. Additional considerations:
 - 3.1. Although efficiencies could be achieved through attrition or re-assignment of personnel, the Lean Initiative will not be a tool or justification for layoffs or reductions in force.

- 3.2. The Lean Program for Denver International Airport should not be a “canned” version of initiatives completed for other organizations and should be flexible and adaptable to Denver International Airport’s vision.
- 3.3. Although the consultant will have a direct and significant role in developing and leading the program initially, the long-term goal will be to train and transition these skills to Denver International Airport employees.
4. Response must include the following:
 - 4.1. Point by point response to items 1.0 through 2.4;
 - 4.2. Complete cost proposal (including incentives, if any);
 - 4.3. Proposed Team qualifications and resumes of specific personnel who will be assigned to provide Lean Professional Services to DIA during the contractual time period;
 - 4.4. References including contact name and phone number, for services provided by respondent in the most recent 2 years, noting similarity in
 - 4.4.1. Size
 - 4.4.2. Scope
 - 4.4.3. Industry
 - 4.5. Any additional “Value Adds” available to DIA for this engagement
5. Criteria for selection will be based on the following:
 - 5.1. Adequacy / completeness of response to RFP specifications
 - 5.2. Alignment to DIAs vision
 - 5.3. Cost, with travel and incidentals included as a separate line item within each phase (per item 1.1), and quantity of travel (as anticipated per items 2 through 2.4)
 - 5.4. Proposed personnel fit to DIA culture
 - 5.5. References

Hourly Payment Rates & Anticipated Expenses

Lean Enterprise Initiative – North Highland Rate Card (months 19-36)

FOR PROFESSIONAL CONSULTING SERVICES	
Project Role/Job Classification	Hourly Rate
Lean Program Manager	\$185 ✓
Lean Expert/Facilitator	\$175
Senior Subject Matter Expert	\$225 ✓
Communications/Change Management	\$185 ✓
Senior Advisor	\$200 ✓

FOR TRAVEL	
Travel Expense (Anticipated)	Total
On-site parking for North Highland team	\$1800

City & County of Denver, Department of Aviation
 Lean Enterprise Initiative
 Monthly Pricing for The Northhighland Company
 Prepared 2013 05 13

Source: Northhighland Response to RFP 201208555 Cost Proposal submitted 2013 01 29
 E-mail from Chrissy Collier Winkler with cost breakdown dated 2013 05 09

<u>Project Month</u>	<u>Billing Period</u>	<u>Billing Amount</u>	<u>Project to Date Amount Billed</u>	
1	08/12/13 - 08/31/13	\$ 40,836.16	\$ 40,836.16	NOTE: Partial month
2	09/01/13 - 09/30/13	\$ 63,296.05	\$ 104,132.21	
3	10/01/13 - 10/31/13	\$ 63,296.05	\$ 167,428.26	
4	11/01/13 - 11/30/13	\$ 63,296.05	\$ 230,724.31	
5	12/01/13 - 12/31/13	\$ 63,296.05	\$ 294,020.36	
6	1/1/2014 - 01/31/14	\$ 63,296.05	\$ 357,316.41	
7	02/01/14 - 02/28/14	\$ 63,296.05	\$ 420,612.46	
8	03/01/14 - 03/31/14	\$ 63,296.05	\$ 483,908.51	
9	04/01/14 - 04/30/14	\$ 63,296.05	\$ 547,204.56	
10	05/01/14 - 05/31/14	\$ 63,296.05	\$ 610,500.61	
11	06/01/14 - 06/30/14	\$ 63,296.05	\$ 673,796.66	
12	07/01/14 - 07/31/14	\$ 63,296.05	\$ 737,092.71	
13	08/01/14 - 08/31/14	\$ 61,060.37	\$ 798,153.08	
14	09/01/14 - 09/30/14	\$ 59,830.74	\$ 857,983.82	
15	10/01/14 - 10/31/14	\$ 59,830.74	\$ 917,814.56	
16	11/01/14 - 11/30/14	\$ 59,830.74	\$ 977,645.30	
17	12/01/14 - 12/31/14	\$ 59,830.74	\$ 1,037,476.04	
18	01/01/15 - 01/31/15	\$ 59,830.74	\$ 1,097,306.78	
19	02/01/15 - 02/11/15	\$ 21,230.22	\$ 1,118,537.00	NOTE: Partial month

Fixed fee per Cost Proposal \$ 1,118,537.00
 VAR \$ -

**CITY AND COUNTY OF DENVER
CERTIFICATE OF INSURANCE FOR DEPARTMENT OF AVIATION**

Original COI

Advice of Renewal

Change

Party to Whom this Certificate is Issued:

Name and Address of Insured:

CITY AND COUNTY OF DENVER
Attn: Risk Management, Suite 8810
Manager of Aviation
Denver International Airport
8500 Peña Boulevard, Room 8810
Denver CO 80249

CONTRACT NAME & NUMBER TO WHICH THIS INSURANCE APPLIES: 201208555COI

I. MANDATORY COVERAGE

Colorado Workers' Compensation and Employer Liability Coverage

Coverage: COLORADO Workers' Compensation

Minimum Limits of Liability (In Thousands)

WC Limits: \$100, \$500, \$100

And Employer's Liability Limits:

Any Policy issued under this section must contain, include or provide for the following:

1. All States Coverage or Colorado listed as a covered state for the Workers' Compensation
2. Waiver of Subrogation and Rights of Recovery against the City and County of Denver (the "City"), its officers, officials and employees.
3. If the Insured is a sole proprietor, they are not required by the State of Colorado to purchase workers compensation coverage.

Business Automobile Liability Coverage

Coverage: Business Automobile Liability (coverage at least as broad as ISO form CA0001)

Minimum Limits of Liability (In Thousands): Combined Single Limit \$1,000

Any Policy issued under this section must contain, include or provide for the following:

1. Symbol 1, coverage for any auto. If no autos are owned, then the Hired and Non-owned auto liability must be purchased.
2. If this contract involves the transport of hazardous cargo such as fuel, solvents or other hazardous materials may occur, then Broadened Pollution Endorsement, per ISO form CA 9948 or equivalent and MCS 90 are required.
3. If the Insured does not carry business auto coverage, they must show proof of insurance for limits currently required by the State of Colorado.

Professional Liability

Coverage: Professional Liability

Minimum Limits of Liability (In Thousands) Per Claim \$1,000

Any Policy issued under this section must contain, include or provide for the following:

1. Policies written on a claims-made basis must remain in force for three years ERP in accordance with CRS 13-80-104.
2. If the coverage is written on a claims-made basis the Insured warrants that any retroactive date

- applicable to coverage under the policy precedes the effective date of this Contract.
3. Any cancellation notice required herein must be provided by Certified Mail. Coverage must extend, by endorsement or otherwise, to cover the full scope of all environmental services performed under the insured's contract with the City.

III. ADDITIONAL CONDITIONS

It is understood and agreed, for the benefit of the City, that the following additional conditions shall apply to all coverage specified herein

- All coverage provided herein shall be primary and any insurance maintained by the City shall be considered excess.
- With the exception of professional liability and auto liability, a Waiver of Subrogation and Rights of Recovery against the City, its officers, officials and employees is required for each coverage period.
- The City shall have the right to verify or confirm, at any time, all coverage, information or representations contained herein, and the insured and its undersigned agent shall promptly and fully cooperate in any such audit the City may elect to undertake.
- Advice of renewal is required.
- All insurance companies issuing policies hereunder must carry at least an A -VI rating from A.M. Best Company or obtain a written waiver of this requirement from the City's Risk Administrator.
- Compliance with coverage requirement by equivalent herein must be approved in writing by the City's Risk Administrator prior to contract execution.
- No changes, modifications or interlineations on this Certificate of Insurance shall be allowed without the review and approval of the Risk Administrator prior to contract execution.

NOTICE OF CANCELLATION

It is understood and agreed that should any Policy issued hereunder be cancelled or non-renewed before the expiration date thereof, or sustain a material change in coverage adverse to the City, the issuing company or its authorized Agent shall give notice to the Department of Aviation in accordance with policy provisions.

