



DATE: September 15, 2024
 TO: Angela Calvillo, Clerk of the Board
 FROM: Sailaja Kurella, Director of Office of Contract Administration (OCA) and Purchaser
 SUBJECT: Resolution to approve Peoplesoft Contract ID 1000034037 (TC 71100) for 50 Electric Transit Buses

Enclosed please find the proposed Resolution from the Office of Contract Administration (“OCA”), on behalf of San Francisco International Airport (“SFO”), requesting that the Board of Supervisors authorize Contract 1000034037 with Gillig LLC for fifty (50) Class 8, 40-foot Electric Transit Buses. The proposed contract will have an anticipated contract start date of December 1, 2024, a not to-exceed (“NTE”) amount of \$68,772,334 and a term of four (4) years, with no options to extend.

Invitation for Bids (Sourcing Event 0000009491)

The San Francisco International Airport’s Capital Improvement Plan requires that it replace its aging fleet of 50 Buses with Electric Transit Buses. On May 8, 2024, OCA issued an IFB under Sourcing Event 0000009491 for the purchase of forty-eight (48) buses over a period of four (4) years based on the following procurement schedule shown in Table 1.

Table 1: Advertised Procurement Schedule

	Year 1	Year 2	Year 3	Year 4¹	Total
Estimated Annual Quantity of Buses per Year (Based on funding availability)	5	6	6	31	48

Bids were evaluated based on a Bidder meeting the Minimum Qualifications (“MQs”) of the IFB, the equipment specifications, and price. In response to its IFB, OCA received Bids from BYD Coach and Bus, LLC (“BYD”) and Gillig, LLC (“Gillig”). BYD was deemed non-responsive on June 27, 2024 because it failed to submit complete MQ documentation and because its proposed Electric Transit Buses did not meet the equipment specifications of the IFB. Based on this, Gillig, which did meet the MQs and equipment specifications of the IFB, was deemed the sole responsive bidder on July 26, 2024. Gillig’s Bid is summarized in Table 1.

Table 2: Gillig’s Bid for Sourcing Event

Item	Description	Manufacturer	Model	Unit of Measure	Est. Annual Qty.	Unit Price	Extended Price
1	Heavy-Duty, 40-Foot, Battery-Electric Low Floor Transit Buses in accordance to Attachment 8 - Equipment Specifications	Gillig LLC	40 ft Low Floor Plus Battery Electric Bus	Each	5	\$1,136,799.00	\$5,683,995.00

¹ The bid initially proposed a schedule consisting of 6 buses in Year 4. That number was increased to 31 buses through Addendum 3 to the Bid.



Item	Description	Manufacturer	Model	Unit of Measure	Est. Annual Qty.	Unit Price	Extended Price
2	Mandatory California Tire Tax is \$1.75 per tire. One (1) lot consists of six (6) tires and two (2) spares for each vehicle. Therefore, the tire tax for a standard vehicle is \$14.00 per lot, per vehicle.	N/A	N/A	Lot	5	\$14.00	\$70.00
Total initial Cost:						\$1,136,813.00	\$5,684,065.00

Price Adjustments During the Contract Term

Although the Bid Sheet requested pricing for the estimated five (5) buses to be procured in Year 1, Appendix B of Attachment 1 to the IFB (City’s Agreement Terms) entitles the awarded Contractor to request price adjustments every twelve months beginning twelve (12) months after the Bid Due Date of June 17, 2024. Price adjustments are based on the rate of change in the U.S. Department of Labor’s most recently published, non-preliminary Producer Price Index (PPI) for Series ID WPU1413 (Transportation equipment-Truck and bus bodies, not seasonally adjusted) available at the time of Contractor’s price adjustment request. The rate of change is measured between the last price adjustment date (or Bid Due Date if no prior price adjustment has been requested) and the date of the requested price adjustment date.

Contract NTE Amount Calculations

The IFB requested pricing for forty-eight (48) buses. However, Section 21.3(g) of the San Francisco Administrative Code authorizes the City to purchase additional buses at the awarded price by mutual agreement of the parties during the first year of the Agreement. Based on this, SFO is requesting that the number of awarded buses be increased from 48 to 50 by increasing the total quantity for year 1 by two (2) additional bus.

Table 3: Contract NTE Calculations

Year	Unit Price (With 4% PPI Increase per Year Starting Year 2)	Contingency (2% Per Unit)	San Francisco County Tax (8.625% Per Unit)	Mandatory Tire Tax (\$14 Per Unit)	Total Estimated Cost (Per Unit)	Estimated Quantity	Total Estimated Cost (All Units)
1	\$1,136,799	\$22,736	\$100,010	\$14	\$1,259,559	7	\$8,816,912
2	\$1,182,271	\$23,645	\$104,010	\$14	\$1,309,941	6	\$7,859,644
3	\$1,229,562	\$24,591	\$108,171	\$14	\$1,362,338	6	\$8,174,026
4	\$1,278,744	\$25,575	\$112,498	\$14	\$1,416,831	31	\$43,921,751
Total	\$4,827,376	\$96,548	\$424,688	N/A	N/A	50	\$68,772,334

Funding

On August 26, 2024, SFO was awarded grants from the Federal Aviation Administration (“FAA”) in the amount of \$4,299,750 and the California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project in the amount of \$840,000 for a total of \$5,139,750. These funds will be used to procure buses in Year 1 of the contract.

City and County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Sailaja Kurella, Director
Office of Contract Administration/Purchasing

Thereafter, SFO will annually apply for grant funding to support 75% of each additional vehicle purchased through the contract term. Amounts not covered by grant funds will be paid through SFO's Capital Funds.

Recommendation

Transit Buses are vital to SFO's ability to provide reliable transportation for SFO employees and passengers within San Francisco International Airport campuses and to major transportation hubs in the Bay Area such as the Vallejo-Curtola Park and Ride, Hayward BART station, and Castro Valley BART station. These new buses will also provide a cost savings to the City by reducing overall maintenance costs and allowing SFO to take advantage of available grant funds.

If you have any questions or require additional information, please contact Maria Sio on my team at (628) 652-1630.

Enclosures:

1. Contract 1000034037 Proposed Agreement
2. Contract 1000034037 Ethics Form 126f(2)
3. Contract 1000034037 Ethics Form 126f(4)
4. Contract 1000034037 Resolution