

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 23-0010

**APPROVAL OF MODIFICATION NO. 3 TO CONTRACT NO. 50037 WITH AIRPORT RESEARCH AND DEVELOPMENT FOUNDATION FOR AIRPORT APPLICATION-BASED COMMERCIAL GROUND TRANSPORTATION LICENSE AND SERVICES AGREEMENT, TO EXTEND THE CONTRACT TERM FROM MARCH 13, 2023 THROUGH MARCH 12, 2025 AND INCREASE THE NOT-TO-EXCEED ADMINISTRATIVE SERVICES FEE FROM \$1,682,000 TO \$1,970,000**

WHEREAS, on January 20, 2015, by Resolution No. 15-0008, the Commission awarded the Contract to Airport Research and Development Foundation (ARDF) for a two year services term with three 1-year options to extend with a revocable license to use City intellectual property in the form of the Airport's Application-Based Commercial Ground Transportation (ABCT) Management System to provide Transportation Network Company (TNC) trip fee collection and clearinghouse services to SFO; and

WHEREAS, on February 21, 2017, by Resolution No. 17-0034, the Commission approved Modification No. 1 to extend the term through March 12, 2020, and to modify the Contract to cap the annual administrative services fee at \$250,000; and

WHEREAS, on January 14, 2020, by Resolution No. 20-0010, the Commission approved Modification No. 2 to extend the service term by three years through March 12, 2023, with one additional 2-year renewal option, and to cap the administrative services fee at \$144,000 annually for an aggregate not-to-exceed amount of \$1,682,000 over the duration of the term; and

WHEREAS, through the existing Contract, the Airport licenses its ABCT Management System technology to ARDF to provide trip fee collection and clearinghouse services to airports. ARDF pays the Airport a service development fee equal to 25% of the total administrative services fees that ARDF receives from participating airports, and the Airport pays ARDF an administrative services fee currently set at \$144,000 per year; and

WHEREAS, currently, a total of 32 airports have entered into agreements with ARDF to use the ABCT Management System. As of November 2022, the Airport has received a total of \$1,264,449.31 in service development fees from ARDF, representing 25% of the fees paid to ARDF by these airports. To date, the Airport has paid ARDF \$1,682,000 in administrative services fees; and

WHEREAS, at SFO, ABCT permittees Uber, Lyft, and Wingz currently account for over 80% of all paid commercial ground transportation trips, generating over \$3 million per month in trip fee revenue; and

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WHEREAS, the Airport desires to continue the license and services by requesting an extension of the Contract term through March 12, 2025 with ARDF, with a corresponding increase in the not-to-exceed administrative services fee from \$1,682,000 to \$1,970,000, with no modification to the amount of the annual administrative services fee being made; now, therefore, be it

RESOLVED, that this Commission hereby approves Modification No. 3 to Contract No. 50037 with Airport Research and Development Foundation, for Airport Application-Based Commercial Ground Transportation License and Services Agreement, to extend the Contract term through March 12, 2025, and increase the not-to-exceed administrative services fee from \$1,682,000 to \$1,970,000; and, be it further

RESOLVED, that the Commission Secretary is hereby directed to request approval of Modification No. 3 to Contract No. 50037 from the Board of Supervisors pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

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*I hereby certify that the foregoing resolution was adopted by the Airport Commission*

*at its meeting of* \_\_\_\_\_ = **JAN 17 2023**

  
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*Secretary*